The Sinking and the Salvage of the Awa Maru (U)

A Strange and Tragic Tale (U)

Declassifying Old Messages (U)

For the past several years one of the more interesting NSA activities has been happening over at SAB 2. There an assortment of full-time and part-time employees, loan-ins, and reemployed annuitants has been reviewing for declassification World War II Japanese and German messages and other materials in response to Presidential Executive Order 12065. Each message is carefully checked before release. Technical data is deleted along with any information which might be prejudicial to U.S. and collaborating governments' interests. Also protected are individuals who might be injured in some fashion by the release of certain information in the messages. So far there have been no major problems. This is due, in no small measure, to the caliber of people the project has attracted. The reemployed annuitants, in particular, with their long and varied Sigint experience, which in some cases includes World War II, have been an invaluable asset to the project.

The Tragic Tale Briefly Told (U)

Close onto midnight, on 1 April 1945, in the waning days of the war against Japan, an American submarine, the USS Queenfish, torpedoed and sank a huge Japanese freighter, the Awa Maru. With four torpedoes slamming into her hull, the ship plunged to the bottom in a matter of minutes, settling in 30 fathoms of water in the Strait of Taiwan and within coastal waters now claimed by the People's Republic of China.

It was a devastating loss for the Japanese. Besides carrying vitally needed raw materials to keep the Japanese war effort going, the ship had aboard passengers especially selected from throughout Southeast Asia. These were VIPs and technicians with skills and know-how desperately needed in the home-
land. In all, there were 2,004 people on board. With only one survivor, the sinking of the Awa Maru was the third worst maritime disaster in history. (By way of comparison, the Japanese attack on Pearl Harbor had claimed 2,403 American lives.)

(U) The lone survivor was picked up by the Queenfish. From him it was learned that the Awa Maru, a ship which the United States had pledged its word would be unharmed, had been sent to the bottom. This information was promptly reported by the skipper of the Queenfish, Commander Loughlin, to his headquarters in Honolulu, which in turn notified Admiral Ernest J. King, Commander in Chief, U.S. Fleet, in Washington, D.C.

(U) Reaction was swift. The Queenfish was ordered into Guam immediately. Waiting on the dock was Admiral Lockwood, Commander of all U.S. submarines in the Pacific. Acting on the express orders of Admiral King, Lockwood stripped Loughlin of his command and told him that he would be court-martialed at the earliest possible moment. Commander Charles E. Loughlin, two-time all-American basketball player at the Naval Academy and one of the finest submarine captains in the Navy, was stunned.

Locations of the salvage anchorage at Pingtan Naval Facility South and the Awa Maru salvage site.
Rumors of Sunken Treasures (U)

(U) For the next thirty-one years the Aw Maru lay undisturbed and forgotten at the bottom of the Strait of Taiwan. Then, in 1976, the San Diego Tribune broke the story that an American syndicate including such notables as former astronaut Scott Carpenter and Jon Lindberg, son of Charles Lindberg, was attempting to obtain salvage rights to the Aw Maru from the People’s Republic of China. The group reported that it had engaged a highly respected Chinese expert who had served as a counsel to President Richard M. Nixon prior to and after his historic visit to China in 1972. This expert, with the improbable name, Dr. Harned Pettus Hooee, had been negotiating with top-echelon Chinese officials to win approval for a joint-venture salvage operation to be conducted in Chinese territorial waters. Subsequent press releases revealed that the Aw Maru reportedly sank while carrying a staggering fortune in her holds. Estimates of the treasure ranged from an incredible $5 billion to $10 billion — sums of money greater than the annual budget of some countries!

(U) Apparently the American syndicate had followed up on persistent rumors throughout the Orient that the Japanese, in 1945, realizing that they were about to be driven from their conquered territories, had plundered all the wealth they could gather from these areas and had attempted to ship it to the homeland; but, enroute to Japan, the ship had been sunk by an American submarine despite the fact that the U.S. Navy had guaranteed safe passage to it. Representatives of the syndicate claimed that this ship was the Aw Maru. According to various sources unearthed by the syndicate, the Aw Maru carried precious metals and ivory, five cases of diamonds and forty cases of mixed jewels, rare antiques and artifacts, and forty tons of gold bullion. Even the fossil remains of China’s long-lost Peking Man, considered to be of priceless anthropological value, were reportedly aboard the ship.

(U) All of this supposedly was loaded aboard the Aw Maru in Singapore on its homeward voyage. The syndicate stated that this highly classified information had been obtained from the following:

1. A high ranking Japanese Intelligence Department staff officer.
2. Two officers in the Yokosuka Navy General Headquarters.
3. A Japanese national serving in the area headquarters of the South Sea Island’s Expeditionary Force.
4. The minutes from a sensitive Japanese National Assembly meeting.

(U) In dealing with the outside world the syndicate attempted to keep one trump card up its sleeve — the exact location of the Aw Maru. The implication was that it had access to the secret account of the Queenfish’s patrol and the subsequent court-martial of its captain. Additionally, one man in the syndicate claimed to be privy to a navigational error in the Queenfish’s log which only he knew about, and therefore only he could find the Aw Maru. This was all nonsense, of course. World War II submarine reports were declassified years ago and are available to the public. So are the court-martial proceedings of Commander Loughlin. The bit about a navigational error is pure poppycock. But the syndicate had to have some kind of a gimmick to maintain control over the project lest the Chinese simply scoop in all the information and salvage the Aw Maru themselves — which is exactly what the Chinese have been doing the past four years!

Back to the Voyage of the Aw Maru (U)

(U) As the war began drawing to a close, the U.S. became increasingly concerned about the fate of prisoners of war held by the Japanese in the southern territories. With her merchant fleet literally swept away, Japan was having great difficulty supporting her own troops, let alone the thousands of Allied prisoners of war still held by her in captivity. Through neutral Switzerland the U.S. proposed to supply 2,000 tons of relief supplies for these prisoners with guaranteed safe passage to any Japanese ship which transported the goods. The Japanese quickly seized upon this proposal as a means to ship desperately needed supplies to her hard-pressed troops in the south and to return key personnel to the homeland. It also presented a heaven-sent opportunity to transport any other cargo of particular concern — like gold bullion, for example. With all of this in mind, the Japanese accepted the U.S. proposal.

(U) As agreed, the U.S. delivered 2,000 tons of Red Cross packages to a port in Siberia where they were picked up by the Japanese. From Japan the goods were to move to the POW camps in two ships. The Hoshi Maru would transport 275 tons of relief supplies to Shanghai, and the Aw Maru would transport the remaining supplies to Southeast Asia. Both ships were able to carry cargo far greater than the relief supplies assigned to them, and the Japanese took full advantage of this. The huge Aw Maru had a normal cargo capacity of 11,269 tons and was one of the few ships of this size remaining to the Japanese. War materiel and supplies were crammed aboard both
vessels to their absolute limit. The first to leave was the Hoshi Maru. Through the Swiss the United States was informed of the exact time and course of the Hoshi Maru for the relatively short five-day run to Shanghai. The ship left Japan on 8 January 1945 and arrived in Shanghai without incident.

(U) Having successfully sailed the first ship to Shanghai, the Japanese now set about to handle the far more complex trip of the Awa Maru. Her exact course was forwarded to the U.S.; she would leave Japan on 17 February, stop at Taiwan, Hong Kong, Saigon, Singapore, several Indonesian ports, and return via Singapore and the Taiwan Strait to Japan. She would have special markings: white crosses on her sides and funnels and on her hatch covers. The white crosses would be electrically illuminated, and she would be running with all navigational lights on at night.

(U) Not satisfied with using the relief ship's safe-conduct guarantee to transport war material, the Japanese attempted an additional ploy. According to the course sent to the U.S., the Awa Maru on her homeward course would transit waters between the Ryukyu Islands and the coast of China, which U.S. intelligence knew to be heavily mined. When the Japanese subsequently amended this return route, a period of almost one month had elapsed. Had our intelligence been less current and accurate, the Navy — believing these waters to be safe — may well have sent submarines into this area with disastrous results.

(U) Once the course and sailing dates of the Awa Maru were received from the Japanese, the U.S. Navy dispatched a message to all submarines at sea in the Pacific. This message was sent in plain language rather than cipher which was the normal practice. The dispatch was broadcast three times on each of three successive nights — a total of nine transmissions. Each message specified the exact route and schedule of the Awa Maru, gave her description, and directed all submarines to allow her to pass unmolested.

(U) At the time of the transmission of these messages, the Queenfish was enroute from Hawaii to Saipan. Atmospheric conditions during the three days the message was transmitted were so bad that a readable version was never received. It wasn't a matter of great concern to the communications officer, however, because important messages were never sent without encipherment, and anyway, he reasoned, he could pick up a copy of the message when the ship reached Saipan. And he did. While the Queenfish was in Saipan during early March, the same message was again repeated three times a day for three consecutive days. For reasons never fully explained, the message was filed and not shown to Commander Loughlin.
By 28 March the Queenfish was again at sea, on patrol as part of a submarine wolfpack in the Strait of Taiwan, when another message was received.

...LET PASS THE AWA MARU CARRYING PRISONER OF WAR SUPPLIES X SHE WILL BE PASSING THROUGH YOUR AREAS BETWEEN MARCH 30 AND APRIL 4 X SHE IS LIGHTED AT NIGHT AND PLASTERED WITH WHITE CROSSES.

The skipper did see this message, but, unfortunately, it was addressed to all submarines in the Pacific from Australia to the Aleutian Islands and did not stipulate the track of the Awa Maru. The message made sense only if one had seen the previous messages on the subject. Loughlin had not.

It was now 1 April. That night the Queenfish was alerted by its packmate, the Sea Fox, that it had attacked a small convoy. Hoping to get in on some of the action, Loughlin sped through the fog toward the area of the attack. Shortly before midnight the Queenfish picked up a radar blip at 17,000 yards, the distance at which Japanese destroyers were normally detected. Moreover, the target was moving at 16 knots, not zigzagging, and headed directly for the area in which the Sea Fox had made its attack. Loughlin approached to within 1,200 yards but dared not get closer because he was convinced that the Queenfish was dealing with a Japanese war ship. Visibility that night was estimated to be 200 yards. Swinging his boat about to fire his stern tubes, Loughlin launched four torpedoes set at a depth of three feet and with a 300-yard spread — the kind of an attack one would expect against a destroyer. Four distinct thuds told the Queenfish's crew the results of its attack. In its search for survivors only one man was picked up by the Queenfish, a steward named Kantora Shimoda, who gasped out to Loughlin that it was the Awa Maru which had been sunk.

Charles Loughlin's court-martial was conducted by the highest ranking U.S. Naval Board ever assembled. In the end he was able to convince the Board that, given the information he had, his attack against the Awa Maru was warranted. He was found guilty only of negligence and given a Letter of Admonition, a surprisingly light sentence — in reality nothing more than a slap on the wrist. The sentence so enraged Admiral Nimitz, Commander of U.S. Naval Forces in the Pacific, who was concerned that the Japanese would now commit barbarous reprisals against the POWs, especially submariners, that he gave the members of the Board a Letter of Reprimand, a far more serious punishment than Loughlin himself had received.

The USS Queenfish.

(Figure is UNCLASSIFIED.)
The possibility of the Awa Maru's vast riches lying within reach inspired the People's Republic of China to mount a salvage operation. Presumably acting on data given to them by the American syndicate in its attempt to set up a joint venture plus whatever information they may have developed for themselves, the Chinese, convinced of the treasure aboard, proceeded to salvage the Awa Maru.

Effective 1 May 1977 the PRC closed an area encompassing the Haitan Island to all shipping for an unspecified period due to "underwater operations." Subsequent research, however, showed that the Chinese were really attempting to salvage the Awa Maru.

Each year thereafter, from spring to fall, through 1980, the PRC declared a maritime restriction in the area where the Awa Maru went down. Needless to say, Taiwan reacted strongly to this activity, believing that the PRC was constructing missile launch pads, underground submarine pens, or something else equally objectionable. During the first three closures the situation was tense. Defensive flights began over the closure area as soon as the restrictions were declared. On the other hand, Taiwanese fighters repeatedly made flagrant overflights of the salvage area in defiance of the PRC closure. This hypersensitivity on the part of both governments relaxed considerably during the 1980 closure. Apparently Taiwan finally came to accept the idea that the PRC was simply on a treasure hunt.

To assist in their salvage efforts, the Chinese purchased a huge floating crane from...
Insofar as the outside world was concerned, the Chinese kept their operations secret for the first two years. Then, in 1979, China's Vice-Minister of Communications told Japanese reporters that China had located the Awa Maru back in 1977. He said that since that time more than 700 workers, including 100 divers, using 10 ships had been attempting to salvage the Awa Maru. Again there was speculation in the news, and once more the five to ten billion dollar figure was quoted. The sum is so large as to be almost incomprehensible. The Chinese were conducting the greatest treasure hunt in history. In January 1980 the Chinese announced an all-out assault on the Awa Maru for the coming year. At the same time, in an exceptionally revealing statement for that government, the Chinese stated that in the past three years a total of 330 workdays were completed, 10,000 dives made, and some 10,000 cubic meters of mud were cleared. This was no ordinary salvage effort; it was a major governmental undertaking to claim a mind-boggling fortune from the bottom of the sea.

Considering the loss of face involved if they were to come up empty-handed, the Chinese must have been very sure of their information at this point. For the trip from Japan, selected to travel with each ship were special envoys whose duties were to watch over the gold and the currency and to make certain that they were delivered into the right hands. The answer was found buried amongst the hundreds of thousands of World War II messages released to the National Archives. So far 122 messages on the subject have been located, covering the period from December 1944 through 14 August 1945. All these messages were sent by the Japanese through their diplomatic channels and in diplomatic codes. As was true with most high-level Japanese radio transmissions, the traffic was routinely copied by U.S. intercept operators and forwarded to cryptanalysts for decrypting and decoding.

(U) The U.S. did not intercept every message sent by the Japanese about the Awa Maru. Atmoospheric and the intercept business being what they are, not all transmissions intercepted were copied completely or without garbles. Nonetheless, from the 122 messages available, the story can be pieced together. The information that follows comes directly from these messages.

(U) In early 1945 the Japanese were indeed shipping gold bullion, but not to Japan. It was going from Japan to the conquered territories in a last-ditch attempt to shore up their rapidly disintegrating position in these areas. Paper currency was no longer being accepted as before. The Japanese-operated money presses in China had to be reinforced with gold lest the paper money become completely worthless; and even so, many Chinese merchants were beginning to demand gold in exchange for their raw materials. Thailand, a Japanese ally which had previously agreed to supply logistic support to Japanese soldiers fighting on that front, now demanded reimbursement, half of which had to be in gold. Japan had no choice. She had to comply with these requirements for her gold. Thus, the two relief ships with their guaranteed safe passage were seized upon to ship the bullion. Fifteen tons of gold were loaded onto the Hoshi Maru and at the very least another ton on the Awa Maru. Additionally, millions of dollars in currency were brought aboard each vessel. Thus was forged the initial thought association which linked the relief ships irrevocably with gold bullion.

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(U) The Hoshi Maru left first and, after an uneventful five days, on 13 January 1945 arrived in Shanghai, where she off-loaded her gold. Although there were only 275 tons of relief supplies aboard, the Japanese were scrupulous in their handling of the goods, specifying that care must be used so that nothing would be lost or damaged. Further, a receipt was to be signed for their delivery. After all, if the relief goods were to be used as an excuse to transport thousands of tons of contraband, the Japanese must have reasoned that they at least ought to have proof that they did, in fact, deliver the Red Cross packages.
After the Hoshi Maru left Shanghai, she went on to Tsingtao and then back to Japan, arriving on 29 January. Her primary cargo on the homeward trip was a prosaic load of coal and pig iron. However, a special shipment for the home office was put aboard under the care of two policemen: six boxes of confiscated opium, nineteen boxes of whiskey, and fifty-two boxes of miscellaneous goods. The special handling accorded these goods, along with the police guard, undoubtedly added more grist for the rumor mills in later years.

Now it was the Awa Maru’s turn. Even before she sailed from Japan, there was controversy amongst the Japanese as to where the gold destined for Bangkok should be off-loaded. On 1 February Tokyo sent an urgent message to Bangkok giving an insight into how rapidly Japanese control in the area was disintegrating:

IT HAS RECENTLY BEEN PLANNED TO SHIP ABOUT 900 MEASUREMENT TONS OF URGENTLY NEEDED GOODS FOR THAILAND BY THE USE OF A RELIEF GOODS TRANSPORT SHIP. WE HAVE RECEIVED INTELLIGENCE TO THE EFFECT THAT IN THE PAST THERE HAS BEEN A LARGE NUMBER OF CASES WHERE GOODS SENT TO THAILAND ON SHIPS APPROPRIATED FOR MILITARY USE WERE CONFISCATED BY THE MILITARY AT SINGAPORE OR SOME SUCH PLACE EN ROUTE, AND SO NEVER ARRIVED AT BANGKOK. PLEASE LET ME KNOW BY WIRE AT ONCE WHETHER THEY ARE GOING TO UNLOAD THIS SHIP AT SINGAPORE OR AT SAIGON. IF THEY FIND DIFFICULTY IN DECIDING TO HAVE THE UNLOADING DONE AT SAIGON, WE SUPPOSE THAT IT WILL BE A GOOD IDEA TO UNLOAD THE GOLD AND PAPER CURRENCY AT SINGAPORE.

The issue was finally decided out of fear that the French in Saigon would spill the beans about the gold. Tokyo forwarded the following:

WHILE IT HAD BEEN DECIDED TO UNLOAD THE ORDINARY GOODS AT SAIGON, IT IS ESSENTIAL THAT THE GOLD BE KEPT SECRET BY THE FRENCH INDO-CHINA AUTHORITIES. HOWEVER, WE BELIEVE THAT IT IS CERTAIN THAT WE WILL SECURE THE COOPERATION OF THE MILITARY IN REGARD TO CALLING IT “TRANSPORT OF MILITARY GOODS” AND ALSO IN REGARD TO THE TRANSPORT OF CURRENCY. CONSEQUENTLY, PLEASE BE ADVISED THAT IT HAS BEEN DECIDED TO UNLOAD BOTH AT SINGAPORE.

On 17 February the Awa Maru left Moji, Japan, and, after having made several scheduled stops along the way, arrived at Singapore on 2 March, as planned. The same day the Japanese Embassy in Bangkok forwarded a message relaying the Thai Government’s thanks for the shipment of gold aboard the Awa Maru. Presumably Bangkok had received a message from Singapore to the effect that the gold had arrived at that point. Sixteen days later, on 18 March, the Japanese Ambassador in Bangkok sent a message directly to the Minister of Greater East Asia in Tokyo as follows:

FORTY BOXES OF GOLD BULLION ARRIVED ON 16TH AND WERE HANDED OVER TO THE BANK OF SIAM.
ASSAYING IS TO BEGIN ON THE 17TH AND WILL TAKE ABOUT A MONTH TO COMPLETE.

So there it is. The times coincide perfectly. As scheduled, the gold aboard the Awa Maru was off-loaded at Singapore and reached Bangkok fourteen days later. How much gold? It is difficult to be certain, but another message with a maddening garble in it can be interpreted as reading that a box of gold to the Japanese meant $120 million. But the important fact is that the Awa Maru off-loaded her gold — all of it — in Singapore.

After leaving Singapore, the Awa Maru called at several Indonesian ports and crammed her holds with rubber and tin, both of which were sorely needed at home. She returned to Singapore on 24 March and left on the 28th. There are no messages dealing with any special cargoes such as jewels, precious metals, or gold bullion loaded aboard while she was in port at Singapore. Messages during this period are primarily concerned with people trying to obtain passage on the Awa Maru, mostly to no avail, because Tokyo was holding fast to the principle that only technicians with skills vital to the war effort in Japan were to be booked on the ship for the return voyage.

Thus, laden with raw materials and people, but no treasure, the Awa Maru, her white crosses brilliantly illuminated and secure in the knowledge that the United States had guaranteed her safe passage, steamed north to her rendezvous with the USS Queenfish.

Epilogue (U)

Following Commander Loughlin’s court-martial, the U.S. made a formal apology to the Japanese Government and offered to replace the Awa Maru with a similar type ship. Japan, in turn, demanded full indemnification for the loss, and to this end sent out a flurry of messages to all ports at which the Awa Maru had called, asking for a full accounting of the type, quantity, and value of all merchandise loaded aboard the ship. On the very day of Japan’s surrender, 14 August 1945, Foreign Minister Togo forwarded a message to the United States through
Bern, Switzerland, demanding payment of 196,115,000 yen ($45 million) for the loss of 2,003 lives; 30,370,000 yen ($7.25 million) for the goods aboard the *Awa Maru*; and various other claims, for a total demand of 227,286,600 yen or approximately $52.5 million. The message spells out precisely how these figures were obtained. No gold bullion is mentioned in the message. Considering Japan's desperate situation and the awkward position of the United States regarding the *Awa Maru*, the Japanese almost certainly would have made a claim for any gold bullion they could have proved was aboard. The war ended before any action was taken on a replacement ship, and four years later, in 1949, the Japanese foreswore all indemnification for the *Awa Maru* tragedy.

(U) Commander Charles Loughlin? Surprisingly, he went on to a splendid naval career, retiring as an Admiral after commanding a submarine division, serving as director of athletics at the Naval Academy, and commanding a cruiser-destroyer flotilla. Because of his subsequent promotions, coupled with the terrible loss the Japanese suffered when the *Awa Maru* went down, there have been dark hints of a sinister conspiracy within the Navy. There does not, however, appear to be any evidence whatsoever to support the theory that the *Awa Maru* was deliberately sunk by the U.S. Navy.

(0) As for the syndicate, better luck next time. Put it all down as a learning experience.

(U) The People's Republic of China? Apparently they have had it with the *Awa Maru*. Taking this into account, the Chief of B Group and the author briefed the Assistant Secretary of State for Far Eastern Affairs, Ambassador John H. Holdridge, on the entire incident. He, in turn, seeing an opportunity to score a few points for the U.S. at no cost, told us that he intended to bring this up with the Chinese, pointing out that he had noticed press accounts of their salvage efforts and that in this connection the U.S. had just declassified some World War II information which might be of interest to them. No doubt it was.

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