

Federal Bureau of Investigation  
United States Department of Justice

Washington, D. C.

October 22, 1941

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**PERSONAL AND CONFIDENTIAL**  
**SPECIAL MESSENGER**

Honorable Adolf A. Berle, Jr.  
Assistant Secretary of State  
Department of State  
Washington, D. C.

Dear Mr. Berle:

I have just received the following data which originally came from a strictly confidential source in August, 1941, and bears upon the military situation in the Far East. I thought it might be of assistance and guidance to you.

The informant first advised that it had come to his attention that Chiang Kai-shek has in his employ an American who uses the pretext of being a clothing merchant in Chung King, but who through past employment by the United States government as a code expert, has had excellent success in breaking diplomatic and military codes, including those used by the representatives of this country.

The informant further advised that from his considerable experience in military and official circles in the Chinese Government, he has learned that the intelligence service operated by Chiang Kai-shek is "absolutely excellent". He was personally aware of the explicit and detailed day by day accounts received by the Chinese Government of the Russian-Japanese fighting on the Manchuria-Siberian border which demonstrated the systematic and complete coverage in operation throughout the East.

The Source of this Information  
shall NOT be DISCLOSED to  
anyone outside the Naval Service.

O. N. I.

Honorable Adolf A. Berle, Jr.

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The Informant expressed the opinion that the Chinese success in espionage was based largely on the use of Chinese as "house boys" throughout the Orient with their resultant access to official and personal communications and conversations. He pointed out that thousands of Chinese are still residents of Japan, particularly in the capacity of house servants, and will probably remain as such.

He suggested that the United States authorities should take full advantage of this situation and secure from the Chinese Government the detailed data which are now and may be in the future in their possession.

Sincerely yours,

J. E. Shover

Captain J. E. Shover  
Director  
Office of Naval Intelligence  
Navy Department  
Washington, D. C.

Brigadier General Sherman Miller  
Assistant Chief of Staff  
G-2, War Department  
Washington, D. C.