

Office of the Chief of Naval Operations

Op-16-B-7

SECRET

May 26, 1941

Dear Mr. Hoover:

Attached is additional information on Japanese Intelligence Network in the United States.

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Op-16-B-7

The source of this information is absolutely reliable and it is particularly desired that it be treated as SECRET.

Military Intelligence Division, War Department, is cognizant of this information.

Sincerely yours,

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
United States Department of Justice
Washington, D.C.

Dictated by Commander Davis
Dictated May 24, 1941
Typed by R. Blalock

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21 May 41

Subject: Japanese Intelligence Network in the United States

Hidenari TERASAKI, Secretary of Embassy, head of the Japanese Intelligence Network in the United States, made an official trip to New York during the middle of May for the purpose of keeping in touch with the Consul-General there - Morita MORISHIMA - and the Embassy has reached the following conclusions: (Extracts from a reliable and highly confidential report from Japanese Authorities in U.S. to Japan)

"1. We are of the opinion that Roosevelt's dictatorial attitude is becoming more pronounced and the government is leaning toward all-out war. Therefore we desire that you remit immediately as large an amount as possible so that we may have funds with which to carry on intelligence work in the emergency created by America's entry into the war. For this purpose we assume that Japanese-American relations will continue as at the present.

"2. The duties of an intelligence officer are becoming increasingly difficult. Because of the existence of the Dies Committee and of the application of the regulations regarding Americans in foreign employ and regarding foreigners resident in America the gathering of accurate secret information is far from easy. This is only one example and there are many other "delicate" problems, so please understand the delay in my answering telegraphic requests for information.

"3. We wish to make Washington and New York one unit and have a unified policy for it. Therefore we wish to get your approval before Terasaki starts for his post in New York. We wish to have Kazuyoshi INAGAKI, Vice Consul, San Francisco, come to Washington to serve. We feel that we should have here at least one third of the personnel that they have in Shanghai for intelligence. Therefore we are looking for temporary employees and non-career clerks. Furthermore we wish to have the officer in charge of intelligence go to New York from Washington about the 10th of every month.

"4. The title of the officer in charge of intelligence will be that of 'press attache'. His duties will be as decided in the business conference on March 4th, Article 61 (1), as follows:

- A. Ordinary investigations and,
- B. The development of intelligence.

'A' will of course include the investigation and gathering of secret information on the division in American public opinion regarding the rapprochement in Japanese-American relations based on the peace movement. But we wish to preclude such policies as the strategy being

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employed in the present negotiations.

"5. A summary of the present state of the policy is as follows:

We are making personal contacts on every hand. However, at this place and in New York we are continuing the existing formal contacts and gathering secret information. In addition to this the officer in charge of intelligence has contacts with:

A. 'J' (this individual has not been identified), and 'W' (this individual has not been identified by ONI), who are in close touch with the President and his wife.

The President is cultivating power through the 'relief workers' and 'W.P.A.' and other agencies. In addition to this, since his third term anyone who opposes him becomes the target of his attacks and his dictatorial tendencies are becoming more marked, therefore it is natural that we should pay special attention to those in close touch with him.

One or two items regarding Roosevelt's position: Evidence was brought out in the Senate to the effect that the former Ambassador to England, Kennedy, had not paid his 1932 income tax, but the President maintained silence. According to other secret information Wilkie had a secret understanding with Roosevelt and attacked him in his public speeches more than was necessary as a Presidential candidate and enjoyed scandalizing public opinion, however, had he by any chance become President he would have become a mere puppet of Roosevelt. Again, George Sokolsky, (formerly connected with The Far Eastern Review, Shanghai, an associate of the late George Bronson Rhea, Japanese propagandist) told Terasaki that originally he was an isolationist, but that now in view of the opposition he was keeping silent. Six months from now if he said he were an isolationist he would not be able to go about in safety.

B. 'W' (Wendelin, Foreign Service Officer now on duty in State Department, European Division, Spanish desk,) of the State Department.

When Terasaki was a student at Brown University he became well acquainted with Wendelin, who at the time of the Spanish civil war was Charge d'Affaires of the Embassy and was conspicuous for his work in evacuating refugees, and at present is the Chairman of the European Section - - -

C. 'G' (Theodore F. Green, Senator from Rhode Island) of the Senate.

When Terasaki was in Brown University he was greatly helped by Green who has been governor of a state and at present is a member of the Senate Foreign Relations Committee.

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D. The relationship of the 'America First Committee' to Lindberg and 'W' (unidentified as yet).

Every time Lindberg makes a speech the German newspapers approve and American newspaper reporters in Germany write it up and American newspapers make a big thing of it so that the impression is conveyed that Lindberg is an agent of Germany. Because of this, Lindberg and the Committee are very perplexed and according to 'W', Lindberg has been cautioned by the German Embassy. Since then he has been in touch with 'W'.

E. 'D' (unidentified as yet), an Irish American.

'D' told our intelligence officer that a Jewish American Justice of the Supreme Court, Frankfurter, was packing the key posts of the government with Jewish Americans. But the American antipathy toward Jews is increasing to such an extent that eventually anti-Jewish influence would prevail.

F. Persons with religious affiliations. (1) Catholic.
(2) Protestant. (3) Undecided.

The Catholics are the ones who are concerned in the present negotiations.

G. The Brown University Club.

This meets regularly once a month and at other times at which he (Terasaki) is present.

"6. Concerning the salary for employing nationals and foreigners. The future is another matter; however, judging from the past unless our general funds are increased it will be impossible to move. We wish to have you cognizant of the actual situation and when the opportune time comes we wish to take decisive action.

"7. Looking at the funds for general intelligence, of the \$30,000 income, only about \$3,900 a year is available for actual development of intelligence and about \$1,800 a year for entertainment and receptions. However in the decision of the committee held on March 4th of this year regarding intelligence business, and the stipulations of the policy regarding propagation of intelligence, it was variously affirmed that of course the utmost effort would be put forth and that we would need no small sum for expenses. According to the present allotment we will need for the present year the sum of \$500,000 for the development of intelligence. We respectfully request this."

Note: It is particularly desired to keep the above secret. The source is reliable.

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