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Office of the Chief of Naval Operations
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May 30, 1942

From: The Vice Chief of Naval Operations
To: The Distribution List Appended
SUBJECT: International Characteristics of Axis
Espionage Agents and Propagandists.

Enclosure: (A) Confidential pamphlet, same subject.

1. The enclosed was prepared by the Office of Naval Intelligence from confidential information in its files, and is transmitted for your information.

J.B.W. Waller,
By direction.

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NAVY DEPARTMENT
Office of Naval Intelligence
WASHINGTON

SUBJECT: International Characteristics of Axis Espionage
Agents and Propagandists:

Introductory: The purpose of this presentation is to show the fallacy of the natural tendency to label the agents of our enemies as German, Italian or Japanese. It is not intended as a complete picture of all operations of the vast and ramified espionage system of the Axis powers. Its purpose is to highlight sufficient of the activities to demonstrate the international characteristics of agents so employed. It has been prepared by the Office of Naval Intelligence from information in its files, and reliable sources, and is disseminated for the purpose above expressed.

Note: For a more complete and detailed study of the diversified operations, reference necessarily must be made to various confidential pamphlets and circulars heretofore issued by the Office of Naval Intelligence and the general information contained in its files.

"He is a Chinese-it is impossible for him to be a spy".

"Why, he is an American-he can't be subversive".

In our endeavor to uncover the espionage system of the Axis powers and their sympathizers, we must not be lulled into a sense of security that "all is well", simply because the individual, group or activity is not purely or basically, either German, Italian or Japanese.

The stimulus for espionage activities and acts of sabotage which have for their purpose the thwarting of our war effort, can be attributed to three main factors. The first factor has its genesis in the declaration of war against the United Nations by the German Reich, Italy and Japan, the second factor is germinated by nationals of various countries not at war with the United Nations, but who are of the firm belief that an Axis victory will bring about and establish a new form of governments which they desire to install in their country of origin, and third, veniality, which is a factor confined to no nationality and which is/antithesis of patriotism,

the

In the second category, the most prominent groups are the White Russians, whose aims are to restore the Russia of Czarist days. They believe

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by helping the Axis, especially Japan's present aspirations, the Communists will be driven out of Russia and a monarchical form of government restored. The center of this particular activity is located at Harbin, Manchuria and it has extended activities into continental United States. It is known as the WHITE RUSSIAN FASCIST MOVEMENT. Following the collapse of the Czarist regime and the persecution of the Imperialists by the Bolsheviks, a stream of emigres poured into Harbin. Some of the refugees fled further south, reaching Shanghai. Others went to Japan. The objective of many was to reach the United States. Thus there was established in Harbin a RUSSIAN BUREAU OF IMMIGRANTS to help those desiring to reach America. Many of them reached the United States with Latvian or Estonian passports or passports from comparable governments. The best known Russian Fascist is Count Anastase A. VONSIATISKY of Thompson, Conn. He was a companion of Wilhelm KUNZE and Willy LUEDTKE, notorious members of the GERMAN AMERICAN BUND and in constant touch with Eno TSKUMATSU, Japanese fascist agent operating throughout China. Other prominent leaders in the movement are Alexander VARGUIN of San Francisco, California; Nikolai P. RYBAKOFF, of New York City, editor of the New York Russian language daily "Rossiya"; Mrs. Marina S. KINGSTON, alias Marina KRAPIVNTSKY of San Francisco, alleged to be the leader of the NATIONAL LABOR UNION OF THE NEW GENERATION.

A group of Filipinos have organized themselves under the name of "SAKDALISTA". This organization devotes itself to a program of eliminating white control from the Far East and the West Indies. Its main efforts are directed towards gaining control of Latin American-Orientals and Philippine organizations in an effort to accomplish its objectives. It is alleged that the organization has some 4500 members in the United States and some 1700 members in Honolulu. It is reported that Germany and Japan are backing the organization through the Spanish Embassy in the United States. Some 52 chapters operate in the United States, the most outstanding is the FILIPINO CRITERION OF NEW YORK CITY. The CRITERION receives strong support and direction from the Communist party which is endeavoring to control this group in its effort to spread the doctrine of its tenets to all nations. Leaders of the SAKDALISTA are Ignacio BRUNO and Pedro MONTALVO. The CRITERION group receives a strong support from the Spanish SOCIEDAD OBREROS MARITIMOS which is a Spanish maritime Falangist union operating directly under the control of the Spanish Consul in New York. The Japanese cry of "Asia for Asiatics" finds a responsive chord among these Filipinos.

The Chinese are not free from the machinations of the Axis powers. It is alleged that many Chinese merchants believe that Japan's conquest of Asia would be more beneficial than the so-called "White control" and in furtherance of their belief, they are willing tools in the hands of clever Japanese agents. The Chinese phase of collaboration with the Axis powers has not been fully developed and very little information has been received which would tend to corroborate it. Nevertheless, this class of Chinese are those who have personal ambition for wealth and power and to become "Quislings" for the Japanese. These men have followers who will aid the mission of espionage for the Axis governments. It is interesting to note that most of the Chinese in the United States are from the Canton area. It is estimated that only three to four hundred are from other areas of

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China. The Cantonese are radically different from the rest of the Chinese, in that they have their own language, own customs, and are the merchant-men and travelers of China. The balance of the Chinese are mostly engaged in agricultural occupations.

There are many Indians of the Hindu and Mohammedan faith who are thoroughly convinced that their freedom can only be accomplished by a Japanese victory on Asia. They distrust the British and will enter into any conspiracy or plan which will end the British rule in India. To gain favor, they will undertake missions for the Japanese government.

The Malay, Burma and Java campaigns concluded successfully by the Japanese--for the time being--taught us the lesson that the natives in these regions were most helpful to Japan. Thus, it can be logically concluded that some of these nationals must be placed in the same category as are the direct agents of the main Axis powers.

The fanatical hate which many Irish have for the British is reflected in a group known as the "Irish-American Friends of Indian Independence", New York City. Its members are supporters of the Irish Republican Army. The group is associated in an indirect manner with the SOCIETY OF PETER THE GREAT, the American Union for Nationalist Spain, and with the India Independence League and the American Committee for Non-participation in Japanese Agression. They have been and still are a bitter group working against British interests. Blinded by their rage against Great Britain, their aid in collaborating with Axis agents, is spurred by the hope that an Axis victory will result in the complete freedom of the Irish Republic.

The American Ukrainian Fascist Organization is reported to be composed of a small minority of the one million Ukrainians in the United States which has maneuvered itself into a strategic position in the Ukraine-American community and has promoted the Nazi cause with fanatical zeal. A "Fifth Column" subsidiary is the ORGANIZATION FOR THE REBIRTH OF THE UKRAINE known as the O.D.W.U. This group has urged its members to organize - modeling itself on Hitler's party organization. One of the leaders has been apprehended for having weapons and ammunition concealed in his house. One Pablo SKOROPASKY, with headquarters in Berlin, is alleged to be in control of this entire organization and is called the King of the Ukraine by those who favor the creation of an "independent" Ukraine under the auspices of the Third Reich, in a fashion similar to the Japanese controlled Chinese puppet government in Manchuria. SKOROPASKY exerts his influence through a terrorist group organically very similar to the Nazi Gestapo. The Ukrainian-American Fascist Organization is reported to have been delegated increasing responsibility for Nazi sabotage, espionage and propaganda activities in the United States. However, the majority of the Ukrainians are working for the independence of the Ukraine to be established by the Allied Nations.

The Croatian and Macedonian minorities in this country are not above suspicion. The CENTRALIN KOMITET, also known as the MACEDONIAN PROPAGANDA OFFICE, is located in New York City, is reported to be working closely with Axis Agents in various sections of the United States, developing information

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of military, naval and economic value to the Axis powers. The notorious DOMOBRAK (BOARD OF FRANKIST ORGANIZATION), a Croatian group, is reported to be a branch of the CENTRALIN KOMITET and further reliable information has been received that the Gestapo has organized parent societies in occupied countries of Yugoslavia and Greece in order to employ its members in the United States for sabotage and terrorism.

It has become axiomatic to label the Communists as aiding our war effort rather than to defeat it since Germany invaded Russia. Prior to the invasion, the Communists were intent on sabotaging our war effort. It is singular to note, however, that reliable information indicates that one Alex BALINT and his associates, who have long records as labor agitators in connection with the Communist Party activities, may actually be Nazi agents using their Communist Party affiliations to cover their Nazi subversive activities. Thus, since June 21st, 1941, when the German Reich invaded the USSR, the Communist Party of America has been for "all out aid" to the USSR, and since December 7th, 1941, have taken the stand of no strikes under any circumstances. Communist controlled labor unions advocate industrial plants running 24 hours a day, 7 days a week, uncovering through the Communist newspapers, plants which they claim are not fully supporting the war effort. The deduction is therefore logical that members of the Communist party who are accused of slow-down in industry and fomenting strikes are, probably, Nazi agents.

Most of the so-called refugees whose entry into this country are aided by various committees, are mostly of the Jewish faith and because of this, there is the strong tendency of overlooking the fact that there are quite a number of them who are in reality agents of the Axis powers. It is a known fact that the German Jew was not a persona grata to Jews whose origin is found in other countries. The German Jew, prior to the war, held himself aloof from the other Jewish Nationals and surrounding himself with an air of superiority, inbred by his German culture, looked with disdain on his Jewish brethren who were not born in Germany. This class of Jews, despite the fact that the Nazi party has persecuted them, are still German and many of them are willing tools in the hands of Nazi agents, spurred in their collaborated effort with promises that their worldly possessions, heretofore confiscated by the Germans, will be kept intact and returned to them if they prove themselves useful to the Axis agents.

To understand another phase of international espionage, one must take into account the basic aims of propaganda. Whom does totalitarian propaganda -- or any other type of propaganda -- attempt to reach? The people, Why? To win them over, so that their money, services and ideological support is given to the cause of the propagandizers. Consequently, besides labor unions, recreational and welfare societies, and schools, even the various churches abroad have been the object of the totalitarian intelligence and propaganda agents' attentions.

The reasons for such an attempt are obvious; the agencies abroad want to reach the people, and the church is the surest entree into family groups and to the individual. Available evidence shows that this offensive

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has succeeded to some extent. Individual churchmen (for whose political opinions and activities no church, be it Protestant or Catholic, is responsible) have betrayed the trust placed in them by the faithful and have taken part in undisguised pro-Fascist propaganda. For example, a pastor of a large Italian Protestant church in New York was a strong supporter of the leading Fascist propaganda journal in America in 1928. In 1930 a group of Protestant pastors were conducted to Italy "to clear up the misunderstandings about the state of things in Italy." In 1935 a Valdensian pastor composed a "hymn to Fascism, for restoring the national consciousness of the Italians and guiding Italy towards a future worthy of ancient Rome."

The Protestant church is no suspect simply because some of its clergy, as individuals, lacking in sound political insight, have made the absurd mistake of issuing ill-considered pronouncements on matters that do not professionally concern them. Nor is the Catholic Church suspect simply because some members of its clergy, from the lower ranks to the higher, have held opinions on temporal affairs which have revealed an impressive lack of political acumen. Fascist and Nazi propagandists recognize clearly, of course, that parishioners regard the local cleric as a wise arbiter of all questions, temporal as well as spiritual, and have sought to indoctrinate pastors and priests to carry out propagandistic activities.

In a war against political systems whose existence precludes the persistence of freedom of the press and freedom of worship, one must fight the pro-Nazi or pro-Fascist cleric who betrays his trust, wittingly or through ignorance, in the same fashion as one fights the pro-Fascist or pro-Nazi newspaper editor as a traitor to the ideals of his profession.

Mention must be made, in any discussion of this phase of enemy infiltration, of the great aid given to the fight against totalitarian domination by churchmen all over the world. Emil Niemöller in Germany and Don Sturzo in Italy are symbols of the Protestant and Catholic clergy's courage and unshaken faith in the hard task of teaching freedom to their peoples.

Other reliable information discloses that a number of high prelates, accredited to South American countries, attempted to induce these countries to remain neutral, using the argument that countries should not engage in the war effort. It is also known that the Japanese have given definite instructions to their diplomatic missions in Rome to make every endeavor, through the Italian government, to keep "in line" church officials in favor of the Axis powers.

There must be included in the category under discussion, the so-called American Native Fascists, even though their aim is not to restore some former government or aid some lost nationalist cause. Though leaders of this group are not directly affiliated or connected with bureau of foreign enemy powers, there is considerable evidence of close collaboration between leaders in the Native Fascist field and known and suspected agents of the enemy. The activities of some of the leaders give a clear indication of their aims.

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Lawrence DENNIS, one of the intellectual leaders in the Native Fascist field, has collaborated on many occasions with proven Nazi agents. His propaganda articles appeared in each of the three issues of TODAY'S CHALLENGE, the magazine issued by Friedrich AUGHAGEN who was convicted on the charge of failure to register as an agent of a foreign government (Germany). DENNIS is an intimate friend of George Sylvester VIERECK, recently convicted on a similar charge of failure to register under the MacCormack Act. DENNIS has published a few books, one of which he had translated into German at the request of AUGHAGEN for dissemination abroad. Since Pearl Harbor, DENNIS has modified the violence of his pro-Axis propaganda, but it is still aimed at discouraging the war effort, particularly operations in the Orient. He is the publisher of the WEEKLY FOREIGN LETTER which circulates among a select clientele. It is widely distributed in South America through German Trade agencies.

Philip JOHNSON, a man of considerable wealth has contributed large sums of money to DENNIS' efforts. He is currently under investigation by the District of Columbia Grand Jury in an effort to ascertain the extent to which he was the financial support of the recently discontinued SOCIAL JUSTICE. JOHNSON, a visitor to Germany in 1938, is reported by William Shirer (Author of the Berlin Diary) to have been planted by the Gestapo in the hotel rooms of the foreign correspondents for the purpose of spying on them.

The Christian Front and Social Justice is another native activity. Though the magazine, SOCIAL JUSTICE, has ceased publication, units of the CHRISTIAN FRONT organization continue their pro-Fascist activities in many sections of the country. The BROOKLYN TABLET is reported to be contemplating the issuance of a supplement to take place of SOCIAL JUSTICE and thus circumvent the measures taken against that publication by the government. The activities of the Christian Front are dangerous at this time because the GERMAN-AMERICAN BUND members, having found their continued activities dangerous, have enlisted their support in many sections of the CHRISTIAN FRONT. In Boston the Front has been particularly open in its collaboration with German agencies. Francis P. MORAN, leader of the Boston unit, exhibited, free of charge, several propaganda films. He was suppressed by the Boston Police a month after Pearl Harbor, but is currently continuing underground operations. He also purchased several Flanders Hall (Nazi agency printing propaganda) publications when that firm was forced to close business, and he distributed them at cost to his members. He also distributed publications by George Sylvester VIERECK. The NATIVE FASCISTS of long standing are: George WINROD, George DEATHERAGE, Gerald L. K. SMITH, James TRUE, George CHRISTIANS, Charles B. HUDSON, Robert NOBLE, William Dudley PELLE, Elizabeth DILLING and other minor figures in the general scheme to thwart the opposition to the Axis. WINROD confessed his admiration of Hitler as early as 1933, and a brief visit to Germany found him returned to this country with a greatly increased financial stature. His pro-Axis writing (monthly magazine THE DEFENDER) is dangerous for it is mixed with Biblical lectures and is thus eagerly received by a gullible public. His magazine circulates in South America in a translated edition. George DEATHERAGE, an outspoken pro-Hitlerite, was recently discharged from a Naval Construction Project at

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Norfolk when his identity and background were made public. He attempted to unify the Native Fascists as far back as 1937 into one party. His type is dangerous for its talents which permit infiltration into many responsible defense positions. While PELLEY, NOBLE and CHRISTIANS are already under indictment for their activities, no complete analysis has been made of the foreign agents who inspired their activities, rendered financial aid and promoted their organizations and publications. These behind-the-scene activators will continue to promote the NATIVE FASCISTS as long as they can find ambitious men with minor scruples, who will establish new organizations and publications to do their bidding. The activities of the NATIVE FASCISTS groups are of particular importance by reason of the strategic positions held by some members of the United States Congress who are openly sympathetic to some of the leading figures in this field. From the public press it appears that one member made frequent appearances at meetings sponsored by isolationists in which Bund members participated; another had his own propaganda sheet, "AMERICAN VINDICATOR", which provided American Fascists with many propaganda services and exchanged data with such men as William Dudley PELLEY. One Congressman is now under Federal Grand Jury investigation. He collaborated with men like HUDSON and E. J. GARNER, now under indictment. One well known Congressman collaborated with George Sylvester VIERECK. Two NATIVE FASCISTS, Gerald WINROD and Gerald L. K. SMITH are seeking election to the Senate, the former from Kansas and the latter from Michigan.

Even the Negro race is stirred into activities in behalf of the Axis Powers. Information from a reliable source discloses an activity known as the ETHIOPIAN PACIFIC MOVEMENT, INC. with headquarters at 113 Lenox Avenue, New York City. At a recent meeting one CAREY, a British West Indian Negro stated that in America the negro has been abused to the fullest extent; that the Constitution of the United States was not fashioned for the negro; that forces on the other side are seeing to it that the negro race will get its place in the sun. A Mr. Joseph ASHELY (white) apparently of Irish descent, believed to be Joseph HARTERY, formerly speaker for the CHRISTIAN MOBILIZERS, stated: "Now is the time for the black man to put up a united front and declare himself openly the black man has been subjugated and abused by the white man the only salvation is Japan, the savior of the darker races Japan will see to it that the darker race will rule Asia. Robert L. JORDAN, a British West Indian Negro stated: "Japan with her mighty navy will defeat the United States the Axis nations in a very short time are going to send the allies to a crushing defeat Japan has shown herself to be the champion of the darker races, and she cannot fail Japan is God's handiwork in the order of things, and she will be the savior of the world discrimination is so prevalent in America that here we are practically existing as slaves the white man will be then the black man's slave".

Another movement among negroes is activated by the TEMPLE OF ALLAH, located at 1527 - 9th Street, N.W., Washington, D. C. One Mohammed ROSOUIL has recently organized a school at the said address known as the Temple of Allah, which professes to embrace the Mohammedan religion for the benefit of the colored races (black, brown, yellow and red) and is reported to be

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stirring up the Negro population by means of pro-Axis propaganda. Classes in the school are held four nights a week and members are urged to ignore the public schools and send their children to the TEMPLE OF ALLAH, consequently violating the compulsory education laws of the District of Columbia. Adults are given gymnastic drills, military drills without arms and so-called astronomical problems. Lectures are anti-Christian, sacrilegious strongly pro-Japanese, anti-American and are near a point of being outright seditious. The secretary of the national organization (name of which is unknown at this time) is reported to be Pauline BAHAR of 104 East 51st Street, Chicago, Ill. Thus, negroes are becoming Mohammedans all in an effort to serve the Axis cause which they espoused in the belief that they will attain race supremacy.

Another subversive activity with international ramifications has been brought to light in Canada. The movement is labeled the "IRON GUARDS", and its aim is to set up in the Province of Quebec an independent French-Canada, free from Canadian and British influence. The group have a flag known as the "Independent Nationalist Flag of French-Canada. The arrest of one Raymond CHOUINARD for printing and distributing subversive "Iron Guard" pamphlets at a meeting held in Quebec, Canada, on March 8, 1942, focussed the attention of authorities on the movement. Many interesting facts were discovered as a result of an official investigation conducted by the Royal Canadian Mounted Police. The police also raided the home of one Laureat TARDIF, and associate of CHOUINARD. As a former student at Laval University, TARDIF received his nationalist training (Independence for FRENCH CANADA) from Abbe GROULX, Abbe GARVEL and the German Dominican Father ESCHMANN. After Canada entered the war, Abbe GRAVEL and Abbe GROULX continued to hold clandestine meetings with the young nationalist group of which TARDIF was a member. Abbe GRAVEL explained the advantages of National Socialism in Germany and expounded upon other German superiorities. Father ESCHMANN told members that French-Canadians, by reason of their superior culture and religion and differences of language and religion, had nothing in common with the rest of Canada and that the members should remember that Hitler and Nazism were born out of German's misery under the Versailles Treaty. Father ESCHMANN was sent to a monastery in Ottawa by the Cardinal in 1940, but he since has been released and is now teaching philosophy at the University of Toronto. The extensiveness of the movement is clearly defined. An examination of the notebook kept by TARDIF uncovered association in this activity of notorious characters such as Father Simon ARESENAULT, Cure of St. Vincent de Paul Parish, Abbe Alphonse Ed. V. LE VERGNE (now without parish by order of the Cardinal), officials of the ST. JEAN BAPTISTE SOCIETY, such as Edouard COULOMBE and many others. Letters seized in TARDIF's home disclosed that he maintained a very extensive correspondence with persons in foreign countries. In letters addressed to Italian consular officers and other Axis representatives, he ended his letters with a "salute of 45 degrees". One of the persons prominently mentioned in his notebook was Saul AGUILAR, Argentine Consul General at Ottawa. TARDIF was a very zealous disciple of Father COUGHLIN. The activities of subversive elements in Quebec appear to be closely allied to various youth organizations and to the ST. JEAN BAPTISTE SOCIETY. In Quebec various cooperative organizations are reported to be under the control of the church, a factor which may account for the interest

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manifested by TARDIF in cooperative movements in foreign countries, as was shown by his correspondence. One of the most prominently mentioned leaders in the youths' organizations is Abbe PIERRE GRAVEL. On November 17, 1941, at the Palais Montcalm, a meeting was held by the Young People's Association of St. Roch. The speeches were subversive and the audience swore allegiance to the independent nationalist flag of French-Canada. One of the speakers at this particular meeting was Father P. A. DURGRE, a Jesuit priest. TARDIF even communicated with a member of the enlisted personnel of the U.S. Army stationed at the Hawaiian Islands in an endeavor to obtain information of a military and strategic nature and information as to alien population, general numbers of armed forces and a tourist map showing location of Wheeler Field. Some of the foreign contacts were:

The Cooperative League, 167 West 12th St., N. Y. City
The Italian Library of Information, N. Y. City
The League for Industrial Democracy, 112 East 19th St., N. Y. City
Henri RENAUD, President, St. Jean Baptiste Society,
100 William Street, N. Y. City
Basil G. Hepburn, R.F.D. No. 2, Hamonton, N. J.
A. J. GLONOT, 9308 Lamont Ave., Elmhurst, L. I.
Mme. William Winn, 374 Terrell Road, San Antonio, Texas
Semaines Sociales de France, Eugene DUTHOIT, President
Tribune Esperantisie, 8 Rue de la Liberte, Basse YUTZ (Moselle France)
Ligue Union Latine, 96 Rue Erlanger, Paris
Secretariat de la Propagande Nationale, R. S. PEDRO de Alcantara,
75 Lisbonne, Portugal
Institut Polonais de Collaboration avec L'Etranger,
10 Rue Mateji, Warsaw, Poland
Internationale Verlag, Berlin
Republica Argentina, Ministerio de Relaciones Exteriores y
Propaganda, Arenales, 761 Buenos Aires, Argentina
S.A.N.L.M. Suit Afrikaanse Nasionale, Lewens Assuransie
Mastkoppy Koopstad, Cape Town, Africa
Revista de Gaminos, Orango Official del Departamento de Caminos
Casilla 153, Santiago de Chile

Leaders or members of the Committee included:

Rene CHALOULT, Member of the Provincial Assembly
J. M. GREGOIRE, former Mayor of Quebec
Oscar DROUIN, Provincial Minister of Trade
J. Ernest DROLET, Journalist of Quebec

Of necessity, Spain is included also in the category under discussion. Its collaboration with the Axis powers is urged by Spain's efforts to regain the world-wide prestige she enjoyed prior to the defeat of the Spanish Armada by Sir Francis Drake. Thus, under General Franco, the Spanish FALANGE movement was initiated, officially known as FALANGE ESPANOLA TRADICIONALISTA DE LAS JUNTAS DE OFENSIVA NACIONAL SINDICALISTA (F.E.T. DE LAS J.O.N.S.) The activities directed by the FRANQUIST REGIME and carried out by diverse elements are known as "FALANGIST ACTIVITIES." The word "Franquist" is also

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used to characterize the Falange activity and is derived from the name of General Franco. The official group is composed of individuals representing the Madrid government, such as ambassadors, ministers, attaches, etc. Such persons are selected from among the members of the Catholic and Monarchic parties, or from the old diplomatic service. The work assigned to them consists of establishing contacts and preparing the ground in upper circles for Nazi espionage and propaganda.

The S.I.M. organization is a military secret service somewhat similar to the GESTAPO. The falangist organization is divided into three groups: (a) the directive group, (b) the Spanish Falangist group - composed of Falangists of Spanish nationality and (c) the Nationalist Falangist group - composed of native Falangists residing in each country. Three groups work for a common end, the FRANQUISTS, the FALANGISTS and S.I.M. directed by General Franco and his brother-in-law, SERRANO SUNER. The entire organization in the United States is utilized by the Nazis. For secret and important matters, it is known that the Falangists have used the diplomatic pouches of Germany, Italy and, on several occasions, the Portuguese. They are against Pan-Americanism and the extension of the Monroe Doctrine and its application. Thus, one must be cautious in his dealing with Spain's representatives, its consular officials and missions. The S.I.M. is very active in aiding the task of the Axis espionage system. Both of the Americas and the Philippines are within the sphere of the Falangist action.

As a part of the Falangist movement, there are the SINARQUISTAS, most active in Mexico and in our southern border states. It is known as the UNION NACIONAL DE SINARQUISTAS and had its origin in the town of Leon, Guanajuato, Mexico in 1936. The motive behind its creation was proclaimed as a desire to promote a better country, a cleaner, regenerated Mexico with social justice for all Mexicans. The movement depends primarily on the peons and lower middle class. Financial assistance is provided by the wealthy Spanish FALANGE. There is some evidence that it is also supported by Nazi groups. As an extension of the aims of the Falangists, the Sinarquists are also against Pan-Americanism and the Monroe Doctrine. Among them can be found agents for the Axis Powers. Headquarters for the southern states are located at El Paso, Texas. Its representative has registered as agent of a foreign principal with the State Department. Ostensibly every effort is made by Mexico to stifle both of these movements, but they flourish widely and without a concerted effort on the part of authorities to disband them.

The fall of France and its subsequent domination by the German Reich, opened another avenue of collaboration -- the VICHY FRENCH. This aid has been enhanced by the return to power of LAVAL. Two elements are the factors -- one, the collaboration imposed by the defeat of the French, the other, voluntary collaboration of those Frenchmen who believe it to their advantage to aid the Axis. The latter class pins all its hope in a German victory, while the former makes every effort to maintain friendly relationship with the United States. The important item to remember is the fact that the French are not free from the influence of the Axis and must aid its task in the espionage and propaganda field. The return of Laval is some evidence that

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Petain's collaboration was not of the Axis pattern. It is difficult to make a proper evaluation between the friendly Frenchman and the Axis adherent, but there is ample proof that French individuals and officials here and abroad are part of the Axis espionage system.

Much is said and columns are devoted to the solidarity of the 21 nations of the Western Hemisphere. Here, again, one must not be misled. Most of the diplomatic missions from Central and South American republics have as members of their staffs Latin-Americans, who, although born in the Western Hemisphere, have received their early culture and indoctrination in Germany, Italy, Spain and France. They are essentially European in culture. They are not accustomed to our American methods which often times appear brusque and discourteous to them. They do not find in the United States the niceties of Spanish, French, Italian and German social life with its various castes. Their wide travels in European countries prior to the war, and the warm receptions given them, have left an indelible mark which will take more years to eradicate. They formed friendships with many leaders of Axis social and political life and have been showered with decorations. Among them are found those who, willing to aid Axis agents, protect themselves against being uncovered by their diplomatic status.

The Japanese agent is at a disadvantage. He can be easily spotted so that his usefulness is destroyed. This, however, has not destroyed the Japanese Intelligence system in the United States. The use of other nationals whose activities must be undercover to determine whether their operations are subversive, is the modus operandi to avoid detection in the fulfillment of Japan's contribution to espionage and sabotage. Thus, the Japanese attempted to gain entry for one Eduardo Patow del BUSTO, a Peruvian. In reality, he was an agent for Japan. Del BUSTO is a brother-in-law of General Cesar DE LA FUENTE, former Peruvian Minister of War in 1940 and former chief of an economic mission to Japan. Del BUSTO had previously been in this country and speaks English. His first entry was by means of a special passport. It can be readily observed that unless one is cognizant of the various operations, Del BUSTO would simply be a Peruvian with very fine connections. He did not succeed in his mission and was not permitted to enter the country. Fortunately he was spotted, but one must bear in mind the others and here is the problem, the attempt to ascertain their identity.

Information was received disclosing a relatively new Nazi secret organization in the Caribbean area. Its object is to provide for a second line to carry on if other German and Fifth Column activities are stopped by authorities. Very few German citizens compose the group. Colombians, Panamanians, Argentines, Venezuelans and Columbia-born or naturalized Germans and Syrians compose its membership. In it are found traces of Japanese cooperation.

It was also ascertained that in Mexico the Germans planned a reduction in the activities of well known German secret agents and in place thereof agents of non-German nationality, who would carry on the activities of the German Secret Service. The Falangist S.I.M. would fill in for the German service.

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Another method of infiltration was disclosed in the warning issued by Cuban authorities to be on guard against Axis agents pretending to be returning Latin Americans under repatriation agreement. Some of them would attempt to enter as Cuban Nationals or refugees.

The Office of Naval Intelligence has definite information that Axis espionage systems are utilizing some Central and South American centers and personnel in transmitting information from within the United States to Europe through the various neutral nations. The information is of the general type required by the famed ARBEITS GEMEINSCHAFT FUER GEOPOLITIK (Geopolitic Institute) directed by Dr. HAUSHOFER in the Reich, and also information of more direct bearing on military operations and movements. It, therefore, behooves all Naval Intelligence personnel to be on the alert to detect the channels whereby this information leaves the United States and the points of origin within the country so the flow can be checked, or perhaps even utilized for transmission of misleading information in a counter-espionage system.

It is known that transmission centers exist in Mexico, Colombia, Peru, Chile, Brazil, the Argentine and from some of the Caribbean Islands. The information is frequently transmitted directly to enemy territory in cases where radio is used. Post office and mail cover facilities in Portugal, France, Sweden and South Africa are used for letter transmission. Recently, a transmission was traced through Mexico to Sweden and thence to Japan.

As a broad statement there are Quislings in almost every European country and one must not be led astray and allay suspicion and place himself in a non-alert status because the individual is a national of a country with which we maintain friendly relations. Love of intrigue, fascination of Nazi and Fascist systems, greed for power, monetary considerations and self vanity, in many instances, draws the so-called friendly national into the orbit of Axis espionage and he becomes a part of the system and a welcomed member due to his non-Germanic, Japanese or Italian origin.

It now becomes apparent why we had the second category under discussion before examining collaboration between agents of the main Axis powers - Germany, Italy and Japan. One logically concludes, without much mental effort, that such collaboration must, perforce, exist. It is axiomatic. It is taken for granted, whereas we are not apt to study and consider the factors animating the second category.

In normal times and before the outbreak of war, the carelessness of Americans toward the dangers of espionage permitted the enemy nationals to operate more or less openly. The commencement of open hostilities, however, has made it necessary and desirable, from the enemy's standpoint, to utilize a lower and concealed echelon of agents and operatives. Many of these are persons of a nationality different from that of the belligerent nations, but the fact must not be overlooked that persons of enemy alien national origin or descent may be used in furtherance of the theory that the best protection is the obvious, which will not be suspected.

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In dealing with problems of espionage and counter-espionage it must be borne in mind that none of the major enemy nations adhere to the doctrine of exclusive citizenship and loyalty, but encourage dual citizenship for the purpose of planting agents in other countries. Agents are encouraged to take out citizenship in other nations so they cannot be deported or interned on the outbreak of hostilities, and can further use the fact of naturalization as proof that they have demonstrated their allegiance and loyalty to their new country. Examination of the records of the Bureau of Immigration and Naturalization show that since 1937 there has been a persistent program of naturalization carried out by Germans in the United States. Simple arithmetic will prove that the time period from 1933, when the Nazi power became ascendent in Germany, to 1937 is sufficient to enable an alien to complete the procedure for naturalization under United States law. The Office of Naval Intelligence has information clearly indicating that a number of persons so swearing allegiance to the United States have engaged in hostile activities against this country both immediately before and since the outbreak of the war.

There also is substantial evidence that the enemy has not hesitated to "plant" agents in the groups of refugees who have sought haven in the United States from the terror and torture of the totalitarian governments in Europe.

The efforts of Naval Intelligence must be bent to detection of such activities in cooperation with all other Federal and State agencies which can and do contribute toward solution of the problem and exposure of the activity. In this phase of the work, it must also be recalled that the enemy usually builds his espionage system in several echelons and that destruction or exposure of one known echelon may simply release a lower and unknown one for full operation. In such cases the whole program of detection will have to be gone through anew.

As to the first category, it has been stated that collaboration between the German Reich, the Fascist Italian Government and Japan is axiomatic. Due to this fact, several instances of such cooperation suffice for the purpose of the within presentation of international characteristics of espionage. The so-called American Center of Operations, probably, is the best example. Organized at Rome, Italy during the month of December, 1940, it was reorganized May 1, 1941. One Robert Suster or Robert SHUSTER of the Italian official news agency STEFANI was selected as the Director. This system is not in contact, as a rule, with military espionage organizations. In the beginning it had been intended that the Italian C.A.O. (Centro Operazione Americane) operate in North and South America independently from a similar center organized at Paris. It was then decided that the Italian branch became the executive branch of the C.A.O. of Berlin. This particular service is alleged to maintain liaison agents in Baltimore, Boston, Chicago, Philadelphia, Pittsburgh, New York and in Brazil. Mexico, Argentina, Uruguay and Chile. Japanese agents, that is those of Japanese nationality, are not of much use to the Axis but in countries where they are still persona grata, they have the opportunity to aid in the general mission of intelligence. In connection with Japanese, it also must be borne in mind that there are some Koreans, who proclaiming that they are part of the movement which has

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for its object, independence for Korea, are in fact agents for Japan.

The third category takes into consideration, individuals of all nations who are induced by veniality to become agents and informers for the Axis powers. This class is a very dangerous one for the simple reason that they are not easy to uncover. Thus, international industrialists, individuals having large financial stakes in Axis countries and Axis domination countries and the so called professional "spy", in order to curry favor and for monetary considerations, will not hesitate to further their own interests. Americans are included in this category. A very good example is the case of an American correspondent, one BEST, a North Carolinian, who for twenty years, represented - the United Press in Austria and Germany, who refused to return to the United States and taking cover under the statement that he desired to remain in Europe, for historical reasons, is now a Haw-Haw for Germany.

TAKE NOTHING FOR GRANTED
BE EVERLASTINGLY ON THE ALERT.

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