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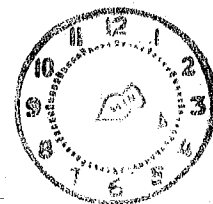
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An Analysis
of
THE JAPANESE ESPIONAGE PROBLEM
in the
Hawaiian Islands

4-37634
APR 28 1943



OFFICE OF
NAVAL INTELLIGENCE
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Prepared by the
Counter Intelligence Section
DISTRICT INTELLIGENCE OFFICE
FOURTEENTH NAVAL DISTRICT

April 20, 1943

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F O R E W O R D

The Counter Intelligence Section (Op-16-B-7) of the Office of Naval Intelligence, which is charged with counter-espionage responsibility in the Naval Service, recently promulgated a new operating plan, from which the following is extracted:

"In accordance with the new concepts of intelligence and counter intelligence, the Counter Intelligence Section actively seeks primary data and no longer passively waits for it to be received.

"This aggressive method of operation permits the Navy to detect and combat espionage, sabotage, and other subversive activities directed against its war effort before the fact, rather than merely to establish an historical record of facts after the damage is done." (#)

One of the functions of the Counter Intelligence Section is to "delineate patterns of subversive thought and activity." (#) This is likewise a function of the Counter Intelligence Section (B-7) of the District Intelligence Office, Fourteenth Naval District, which section has prepared the within analysis.

This analysis is intended to present facts and considered opinions pertaining to Japanese espionage in Hawaii and the correlative counter-espionage measures, both before and during this war. In formulating the analysis, deficiencies in existing counter-espionage methods and measures have been noted, and suggestions for the alteration or supplementation of existing methods and measures have been made.

No attempt has been made to analyze the related topics of sabotage and counter-sabotage. This analysis has been confined simply to espionage and counter-espionage, with only the necessary incidental introduction of other intelligence subjects.

Attention is invited to Appendix "A", which sets forth references to much of the source material

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pertaining to facts and opinions included in this analysis, and which particularly shows the sources of all quotations set forth herein.

A statement or paragraph footnoted to Appendix "A" is indicated by the symbol "(#)" at the end of the documented portion.

Particular places on the Island of Oahu which are mentioned in the analysis can be seen with reference to one another by consulting the map attached as Appendix "B".

The within analysis perhaps will be revised at a later date to include relevant facts hereafter discovered. Criticisms and suggestions are therefore especially requested.

I. H. MAYFIELD
Captain, U. S. Navy
District Intelligence Officer

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in the Hawaiian Islands

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AN ANALYSIS OF THE JAPANESE ESPIONAGE PROBLEM
IN THE HAWAIIAN ISLANDS

I. INTRODUCTION

1. This analysis is predicated upon the premise that accurate knowledge of United States naval and military activities in the Hawaiian Islands (and particularly those in and around the Navy Yard, Pearl Harbor) is of inestimable value to Japan. It may not be an overstatement to say that no single place in the world is of greater interest to Japanese naval leaders.

2. It is assumed that Japan, many years ago having foreseen the possibility of war with the United States, and fully realizing the importance of Pearl Harbor as a naval base, had arranged for an adequate espionage system to operate in Hawaii during wartime.

3. It is believed that Japan has, over a period of more than 30 years, collected complete information concerning the geography and hydrography of the Hawaiian Islands, and has studied the military and naval necessities arising therefrom. (See paragraph 81.)

4. At the present time, Japan is assumed to be primarily interested in the offensive, as distinguished from defensive, strength of forces of the United States based in or from Hawaii. The specific matters of interest to the enemy, in what is judged to be their present order of importance, are:

- a/ Departures and arrivals of Naval task forces and units, and the disposition of Naval units in Pearl Harbor and in other Hawaiian ports and waters.
- b/ Status of readiness and repair of Naval units, and specifically, information concerning damage to vessels and estimated time of repairs.
- c/ Character and strength of Marine forces in Hawaii, and particularly, departures of Marine forces.
- d/ Movements of military aircraft from and to the Hawaiian area.

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- e/ Movements of merchantmen and troop convoys.
- f/ Military and air strength of the Hawaiian Islands, particularly Oahu, and specifically, new airfield construction.

5. In any event, the matter of primary interest to Japan is the offensive strength and disposition of United States Naval forces in these Islands. If this assumption be correct, it is accurate to state that any Japanese espionage organization now operating in the Hawaiian Islands is primarily concerned with reporting naval information.

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II. FACTORS REQUIRED IN THE OPERATION OF A WARTIME ESPIONAGE SYSTEM

6. An espionage system functioning in hostile territory in wartime is of necessity much more carefully set up than its peacetime predecessor. The restrictions imposed in wartime by the creating of new restricted areas, additional patrolling of vital installations, the invoking of censorship, and the promulgation of curfew, blackout, and alien control regulations all contribute to the situation. New means of communication with the enemy overseas must be put into operation; previously untapped sources of information must finally be utilized; agents possibly "uncovered" prior to the war, because of their known proximity to military and naval installations, their alien status, or their contact with known enemy centers or agents, must be discarded.

7. It is believed that any espionage organization functioning in the Territory of Hawaii in wartime must consider and balance the following factors to produce a workable equation:

(A) SECURITY

8. It is axiomatic that any espionage group in enemy territory must remain undetected to continue proper functioning. It must provide maximum security for the organizational nucleus, sacrificing, if necessary, less important members to preserve the heart and brains of the system. Only the most necessary risks must be taken in gathering information and communicating the same to Japan. Agents of the espionage system should be known to one another only to the extent absolutely necessary, limiting so far as possible the ability of one agent to expose the whole system. Agents who have no need to know each other should not know each other. In short, a strict echelon system should be maintained, with each agent knowing only the superior to whom he reports and the operative or operatives he directs.

(B) MOBILITY

9. There must be sufficient mobility of the espionage group to permit the ready collection and transmission of information, as well as to allow the necessary intercourse among agents of the group. This requires that movements of agents be unobtrusive, often necessitating the careful selection of pretexts. It must be anticipated in advance of war that movements in certain vital areas (for example,

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the Honolulu waterfront) will be restricted in wartime. Hence, plans must be well laid to maintain the espionage organization's normal mobility in such areas.

10. Therefore, the espionage agents must be able to reach without apparent effort all information within public view, and to have other information brought to them by "insiders," as far as is possible. Such mobility obviates the necessity of information-gathering agents having to expose themselves as such.

(C) FLEXIBILITY

11. Wartime conditions are inherently unstable and unpredictable. The continued functioning of an espionage organization often may depend upon its ability to adapt itself to changing conditions. Proper security measures taken to prevent and detect espionage can be overcome only by a highly adaptable espionage organization-- one which is prepared to use Caucasian agents as well as Orientals, women as well as men, and agents "planted" inside vital areas as well as those mingling with the general public outside.

12. It must reasonably have been anticipated by Japan that war with the United States in all probability would cause the Hawaiian Islands to be put under martial law, the exact nature of whose application could hardly have been anticipated. That the enemy, Japan, have a highly adaptable wartime espionage system was therefore particularly required in Hawaii.

(D) SIMPLICITY

13. It is a basic requirement that the espionage organization should be as simple as possible. Simplicity makes for security and efficiency in such an organization. Too elaborate an organization is likely to place various portions of the mechanism at the whim of uncontrollable outside factors, as well as increase the likelihood that if one agent is discovered and "talks," the whole system will be exposed.

(E) DECEPTION

14. As a means of achieving security, mobility, flexibility, and simplicity in its operations, the espionage organization must employ deception generally, as well as in specific operations. Its agents must, in the main, be

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III. FUNCTIONS OF AN ESPIONAGE SYSTEM

15. For the purposes of this analysis, the functions of an espionage system operating in the Hawaiian Islands in wartime are assumed to be:

- a/ Collection of information;
- b/ Evaluation of information;
- c/ Communication of information to the effective enemy destination.

(A) COLLECTION OF INFORMATION

16. In the Hawaiian area, information of value to the enemy can be collected by any or all of the following methods, which vary in risk, according to the circumstances indicated:

(1) Observation

17. From the Naval standpoint, the most important island of the Hawaiian group is Oahu, and unfortunately the geography of Oahu is such that observation of the movements of Naval vessels cannot be prevented. The arrival and departure of ships at Pearl Harbor in the daytime is visible, to anyone interested, from a number of places not in any restricted area and where the presence of an observer would not arouse suspicion. For example, every vessel entering or leaving Pearl Harbor by daylight can readily be seen (and by a trained observer, identified as to type and class) from many buildings in downtown Honolulu.

18. The number and type of ships in Pearl Harbor, whether in drydock, at berths, or at moorings, can be determined with a high degree of accuracy by anyone living on, or visiting, Aiea Heights, which overlooks Pearl Harbor. The fact that a field glass is required in aid of such observation is but a small obstacle.

19. It is known that employees of the Japanese Consulate General, Honolulu, who were designated to observe and report on arrivals and departures of Naval units at Pearl Harbor, and the number of vessels there, prior to the outbreak of war, did much of their observing from Aiea Heights and areas nearer to Pearl Harbor, but at a lower elevation. (#) Likewise, many Japanese naval officers who visited Honolulu in recent years made sightseeing trips to Aiea Heights and the environs of Pearl Harbor. (#) It is also known that

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at least one of the two-man Japanese submarines that participated in the attack on Oahu, on December 7, 1941, had aboard a panoramic photograph of Pearl Harbor, which later was found to have been photographed from Aiea Heights-- not by an espionage agent, but by a commercial photographer, who sold prints thereof openly in Honolulu. (#)

20. There are many ways, less direct than those noted above, where acute and intelligent observations will reveal information concerning Fleet dispositions. The number of officers and men on leave in Honolulu often will provide a clue to the number and identity of Fleet units in port. Where officers or men who maintain residences in Honolulu are known to be attached to a given ship, an observer will be able to state with reasonable certainty that if a certain officer or man is at home in Honolulu, his ship is in port and not at sea.

21. Thus, unless the observer enters a restricted area without right, or uses visual or photographic equipment whose use is illegal, his activities in collecting information of naval value by observation alone can easily go wholly undetected.

(2) "Loose talk" and rumors

22. No matter how extensive a campaign may be to prevent "loose talk" and rumor-mongering concerning military and naval subjects, it seems impossible to restrain either entirely. Since much of what passes as rumor often contains germs of truth, the trained enemy agent, referring what he hears to a competent evaluator, can make this a profitable source of information for the enemy. Many stories-- for example, the sinking of the aircraft carriers LEXINGTON, YORKTOWN, and WASP, and the impending Battle of Midway-- were common gossip in Honolulu before official announcement of the facts.

23. "Loose talk" is of two types-- that which is offered gratuitously, and that which is "pumped" from one having knowledge of the facts. The distinction is obvious and is especially important in the operation of the espionage organization, from the standpoint of risk.

(3) "Pumping"

24. This type of information-gathering consists of eliciting facts from the possessor thereof, by pretext, use of force, or sensuous or intoxicating inducement. The

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person imposed upon does not consciously and willingly betray his trust, but may be brought to do so by the enemy agent's use of force, misrepresentation, or proffer of food and drink, narcotics, or women. (#)

(4) "Inside" information

25. This is the type of information generally bought and paid for by the enemy agent, who need not (and generally cannot) obtain the information himself, but who commissions someone else to provide him with the information. Unless, however, the espionage organization has developed a source of "inside" information prior to the outbreak of war, it may find it difficult to do thereafter because of the extreme risk involved in approaching a person with a proposition that he commit treason in wartime. (#)

26. There is no evidence that any person in a position of military or naval trust in the Hawaiian Islands, either before or during this war, has supplied information to enemy agents. However, history teaches that vigilance against treason must be maintained.

(5) "Planted" agents

27. As distinguished from the traitor already in a place of trust who sells information to the enemy, a "plant" is an agent installed in a place of confidence (usually within a restricted area) who himself gathers all available information of value to the enemy. Less valuable and less likely to be used, but possible, is a person (for example, a domestic) "planted" in the home of any military, naval, or civilian official likely to have considerable knowledge of vital information.

28. Less likely to be found, but not to be dismissed, is the possibility of enemy agents using "planted" mechanical devices for the gathering of important information. Telephone wires over which vital information is transmitted may be "tapped." Microphones may be arranged in conference rooms and offices.

(6) Overt criminal action

29. Unable to secure desired information by any of the foregoing methods, the enemy espionage organization may resort to actions more easily detected, and therefore carrying a greater risk. Among the more direct methods would be murder, assault, forgery, burglary, and larceny (to secure

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writings, maps, charts, and code books) and perjury, impersonation, and trespass (to secure entry to restricted areas). Murder and arson might be indulged in to destroy the evidence of other crimes incident to espionage activity.

30. It is believed, however, that under present conditions in Hawaii, it is unnecessary for the enemy to resort to overt criminal activity to carry out its espionage mission here.

(B) EVALUATION OF INFORMATION

31. Since, as will be discussed below, the chief obstacle confronting an espionage organization in the Hawaiian Islands in wartime is that of communicating information to Japan, it is desirable that all information collected by enemy agents be evaluated and digested locally as far as possible, so as to provide the shortest possible messages for transmission, whatever the means of communication may be.

32. While before the war broke out the Japanese Consulate General, Honolulu, was able to send lengthy intelligence reports and newspaper articles to Japan in the consular pouch, and was able to send encrypted radiograms and cablegrams without undue limit of length, it is assumed that the transmission of information to Japan is at the present time sufficiently difficult to prohibit the sending by most means of any great volume of information without great risk of detection. (#)

33. Therefore, it is believed necessary that the enemy have a competent evaluator (or evaluation unit) in the Hawaiian Islands, so that all available information can be digested to its important essentials. This presupposes one or more individuals highly intelligent and trained in military and naval subjects.

34. It is also believed likely that the chief evaluator of the espionage organization will be found to be the principal organizer and primary directive force of the group.

(C) COMMUNICATION OF INFORMATION TO THE EFFECTIVE ENEMY DESTINATION

(1) General considerations

35. In executing its ultimate function-- that of communicating vital information to the enemy-- the espionage organization, in all probability, exposes itself to a far greater risk than it does in discharging its other functions.

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36. It is quite possible that more than one means of transmission of information is used. In general, it may be said that the more rapid types of communication involve the most risk, and that the sender will, therefore, use such means only when the value of data transmitted justifies the assumption of the greater risk.

37. "Spot news," such as the departures of a Naval task force, Marine force, bomber squadron, or a convoy, would merit the most speedy means of communication. Such intelligence obviously would lose its value if delayed too long in reaching the effective enemy destination.

38. On the other hand, more "durable" information, such as that concerning new construction (airfields, hangars, and ammunition dumps, for example), relating to conditions of a static and permanent nature, would be of value to the enemy even if delayed months in reaching Japan.

39. It must also be noted that certain information may be unsuitable for transmission telegraphically, and may have to be transmitted manually. Articles such as maps, charts, ordnance, or a bomb sight are of greatest value to the enemy only if received intact.

40. Certain information, although capable of telegraphic transmission, may be so lengthy as to make anything other than manual transmission impracticable and dangerous. Detailed intelligence monographs and stolen code books would be examples.

41. The problem of transmission of information has been thoroughly considered, chiefly for the reason that it is believed that there is more likelihood of discovering the enemy's espionage organization through its communication facilities than in any other way. The organization exposes itself most openly when exercising its communication function. The possible ways in which it is thought that enemy agents might send information from here so as to directly or ultimately reach Japan, are the following:

(2) Shore-to-ship contact

42. Under this heading, there are a number of different methods by which communication between an enemy agent in the Hawaiian Islands and enemy submarine off shore can be effected. While there is no conclusive proof that such communication has existed during the war or immediately preceding the attack on Pearl Harbor, there are two significant

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facts which strongly suggest the possibility:

- a/ It has been learned since the outbreak of war that the local Consulate had a plan for signalling by various means from the islands of Oahu and Maui. This plan emphasized visual signalling from the windward coast of Oahu, presumably to submarines. (#)
- b/ Since the outbreak of war, enemy submarines have appeared off various of the Hawaiian Islands, at night and close to shore. Evidence that such craft have appeared close off windward Oahu at various times is strong. However, enemy submarines have not engaged in combat activity in that area, nor could they have effected reconnaissance of United States Fleet units there (since that sea area is off the regular sea lanes and at the opposite side of Oahu from Pearl Harbor). It therefore appears that with the presence of enemy submarines off windward Oahu should be associated the possibility that they were there to receive communications from, or send them to, enemy agents on shore-- more likely the former-- or to make physical contact with agents on shore. (See paragraphs 47-48.)

(a) Blinker-tube signalling

43. The hills rising sharply from the shores of the Hawaiian Islands contain many natural signal positions. These hills are cut by many deep valleys, most of which open almost directly into the sea, rather than into plains lying between the main mountain ranges and the sea. A blinker-tube signalling device (easily improvised from a flashlight and a cylindrical tube, pipe, or can) operated from one of the valleys and brought to bear upon a prearranged sea area cannot be seen unless the observer is on an almost direct bearing with the tube.

44. Since the outbreak of war, local intelligence offices have received many reports concerning suspicious lights, flashes, and flares-- some well inland, some on land near the sea, and some off shore. In the many cases investigated, no instance of signalling to the enemy has been established, but neither have all cases been satisfactorily explained.

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45. The killing of Giichiro UYENO, a Japanese alien, by an Army sentry at Waimanalo (windward Oahu) shortly before midnight, July 25, 1942, is worthy of particular note. UYENO was discovered close to a machine-gun emplacement on the beach. Several times challenged by the sentry, UYENO failed to make himself known and took flight, whereupon the sentry shot him. While attempting to flee, UYENO discarded a flashlight which he had been carrying. Examination of the flashlight indicated that it had once been "blacked out" with colored cellophane, but that the cellophane had been removed. According to available evidence, UYENO previously had always been in his quarters at a private home (where he was employed as a yard caretaker) by 8:00 o'clock each night, complying with the Military Governor's curfew for aliens. He was a recluse, but considered sane.

46. At the time he was first seen near the machine-gun emplacement, UYENO was approximately 400 yards from his quarters, in a place he had no legitimate reason to be. He was abroad at night in violation of the Military Governor's order, was illegally in the vicinity of military emplacements, was carrying an unblacked flashlight (though unlighted), and failed to heed the sentry's challenges. In those circumstances, it is reasonable to say that UYENO knew he was risking death. The probability is that his mission at the time justified assuming that risk. It is conceivable that UYENO was proceeding to, or returning from, a point of vantage from which signalling would have been, or was, accomplished with the use of the undimmed flashlight. In this connection, it is relevant to quote the following entries from the log of the Army Contact Office (M.I.D.), Honolulu, for July 26, 1942:

"0040 Ph. from For'd Echelon (Lt. Porteus):
Several 'Radar' plots indicate a strange
surface vessel (or surfaced submarine) off
Kaneohe Bay

"0045 Ph. from For'd Echelon (Lt. Porteus):
Reports that a guard at Bellows Field shot
and killed a Japanese man; CO asked to identify him."

The deceased Japanese later was identified as UYENO. The place where he was shot was approximately ten miles, on a straight line, from Kaneohe Bay. (#)

47. It is relevant to observe that during the latter

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part of July, 1942, considerable suspicious offshore activity was noted in the windward Oahu area, near the Naval Air Station, Kaneohe Bay. The following is a recapitulation of events, as related by a highly reliable informant:

On the first appearance in the last week of July, 1942, the Japanese submarine was seen to be sending signals toward the shore by means of blinker. The submarine was located at this time near the entrance of Kaneohe Harbor just off the Mokapu peninsula. On its second appearance, probably July 26, 1942, the submarine was fired on by the shore batteries with no effect. On its next appearance, July 27, 1942, it was reported that all shore batteries had fired on the enemy submarine, with at least one shot hitting its mark. The submarine retired to a position behind Moku Manu island. This position rendered safety to the vessel since it is characterized by two cliffs which rise from the water on either side of the channel between the two islands. The submarine's position in this channel rendered it impossible for direct shots to be thrown at it. It was also understood that airplanes took off to drop bombs on the submarine, but because of conditions, were unable to make satisfactory runs.

Coincident with the retiring of the submarine on this latter date, the figure of a man was seen to be swimming in the channel in Kaneohe Bay, emerging from the water close to the old Navy Pier, Kahaluu landing, which is near Koolau. A company of soldiers was dispatched to head this individual off, but because of the nature of the terrain, which is characterized by swamp and heavy underbrush, he was able to evade this group. Footprints inspected showed that this man was wearing rubber-soled shoes. (#)

In connection with the foregoing report must be considered the following memorandum, dated July 30, 1942, from the Intelligence Unit, Naval Air Station, Kaneohe Bay:

"For the past several months the U. S. Naval Air Station, Kaneohe Bay, has been menaced by attack from enemy submarines. Numerous radar plots of such submarines have been recorded and our aircraft, destroyers, and coast artillery have been brought into action against enemy

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submarines as recently as July 27, 1942."

48. More recently, similar enemy activity has been apparent off Kaneohe Bay. On April 15, 1943, the District Intelligence Officer received the following report from the same Intelligence Unit:

"On the night of April 6, 1943, in addition to radar contacts, the station crash boats, in search of survivors from a plane crash in the area outside of Kaneohe Bay, saw an object identified as a submarine conning tower. (There were no such friendly craft in this area at this time.)

"At 1100 on April 10, 1943, planes from the Naval Air Detachment, NAS, Kaneohe, saw a submarine off Kahuku Point, (later identified as enemy), break surface and shortly, on his approach, submerge. At 2100 that same evening radar contacts were made off Kaneohe Bay, bearing 345°, range 7000 yards. At 2200 the station gun batteries illuminated with star shells and fired upon the conning tower of a submarine, range 7000 yards, bearing 342°, proceeding rapidly to bearing 345° when it submerged.

"On April 11, 1943, a plane was dispatched from this station to search for an enemy submarine observed off the northeast coast of Maui."

49. Sight, sonic, and radar plots of enemy submarines and unidentified objects off windward Oahu (particularly in the area off Waimanalo to Kaneohe Bay) have been recorded during the war. These usually have been at night. These facts, together with the incidents involving UYENO and the unidentified swimmer in Kaneohe Bay, cast the highest degree of suspicion upon the windward Oahu region. The coincidence of several such events in the last week of July, 1942, coupled with particularly active suspected enemy submarine activity at that time, makes the situation doubly noteworthy. It is clearly possible that signalling to enemy craft has been, and still is, carried on in that region. Further, the possibility of actual physical contact between enemy submarines and enemy agents on shore is apparent.

(b) Personal contact

50. The waters and beaches of much of the coastal areas

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of the Hawaiian Islands are such that a reasonably good swimmer can swim from the beach to a submarine, or vice versa. This provides the enemy with a method not only of receiving written, graphic, pictorial, and oral information from shore, but of putting ashore instructions, equipment, and new personnel for use by the espionage organization.

51. The landing of Nazi saboteurs on the Atlantic Coast of the United States and a spy in Canada, and the report referred to in paragraph 47, above, illustrate the possibilities of effecting physical contact with shore. (#) With even greater ease, enemy agents can be landed or picked up on islands of the Hawaiian group other than Oahu.

52. Before the war, there was speculation as to whether Hawaiian fishing sampans (largely manned by alien Japanese) might be making contact with Japanese vessels in or near the Hawaiian area for subversive purposes. Such meetings were never proved. (#) Contacts of local sampans with enemy vessels are not likely at present, due to the strict patrolling of all such craft in Hawaiian waters and the limited distance from shore within which they must operate. Furthermore, persons of Japanese ancestry are no longer allowed to fish in boats off shore.

(c) Sonic devices

53. Sonic equipment for underwater signalling is mentioned as a possible, though not probable, means of communication between enemy agents in small craft in Hawaiian waters and submerged enemy submarines. The latter, of course, carry sonic signalling apparatus as standard equipment.

(d) Water caches

54. The coastal areas of the Hawaiian Islands in some places have shelves outside the reefs, the shelves being at relatively shallow depths. This is true to a large extent of the Waimanalo-Kaneohe Bay area and the north shore of Oahu. For many years it has been the practice of local fishermen (many of whom are alien Japanese) to lay fish traps in these waters without bouys or markers attached, later picking them up by dragging or diving. The waters in which this type of fishing has been practiced are in many cases deep enough to permit a submarine to navigate close to shore, where it could recover a cache.

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(e) Land caches

55. There are a dozen or more small islands or rocks off windward Oahu, varying in height above the sea from 20 to 360 feet. Several lie parallel to the shoreline and are long enough to conceal a submarine off shore from the view of observers on shore. Several lie in the Waimanalo-Kaneohe Bay area. Espionage agents from shore could visit such islands or rocks with comparative security and leave intelligence pouches in prearranged places, such pouches to be later picked up by enemy submarines.

56. The use of land and water caches as a means of transferring information of any type to the enemy has a singular advantage over many of the other means of communication. Where caches are used, the transmitter can choose the time of day most appropriate to the performance of his task, and the recipient can do likewise. The times of their respective actions need not, and probably would not, be the same.

(3) Radio

57. The use of this means of communication would be highly desirable to the enemy espionage organization, from the standpoint of rapidity of communication, but involves a high degree of risk. By radio, information could be sent directly to Japan, or, with less power, to Japanese stations in the Mandated Islands or to enemy surface units or submarines considerably closer to the Hawaiian Islands, for re-transmission.

58. Properly used, however, this method of communication could give the sender a fair degree of security, taking into consideration the following safeguards or operating procedures:

- a/ Transmissions on a given frequency to be of short duration;
- b/ Varying frequencies to be used;
- c/ Use of a mobile transmitter, hidden in a truck or automobile;
- d/ Use of frequency modulation;
- e/ Use of directional transmitting antenna;
- f/ Use of ultra-high frequencies.

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59. In this work, small sets operating only with a key could be used. It is known that Japanese landing forces in the Orient have used portable ultra-high frequency field sets only 8" x 8" x 10" in size. By using the transmitter carefully, changing frequencies rapidly, and employing mobile equipment, a maximum degree of protection against detection could be achieved.

60. Frequency modulation transmissions would be chiefly of value in this work for its freedom from detection by ordinary (that is, amplitude modulation) receivers. Frequency modulation transmission in the higher frequencies is reported to have a service range of about twice the distance from the point of transmission to the horizon. Thus, a transmitter located at an elevation of 500 feet could send to an enemy submarine almost 30 miles away. (#)

61. In conjunction with frequency modulation or other type of transmission, the use of a directional antenna would greatly improve the security of the espionage activity by limiting the area within which monitoring equipment, fixed or mobile, would be able to intercept signals. Directional transmission in the higher frequencies, with their limited service ranges, would be used to best advantage with a fixed rather than mobile transmitter.

62. A strong objection to the use of radio is the unsatisfactory equation between the operator's vulnerability and his importance to the espionage organization. His technical skill would be a great asset, yet during periods of transmission he would be the most exposed member of the organization.

63. Other than an unidentified message intercepted by an Army radio unit on the morning of December 7, 1941 (following the attack on Oahu), which message was partly in German and partly unintelligible, and which reported in a very general way the damage caused by the Japanese attack, there has come to the attention of this office no instance of communication by radio from the Hawaiian Islands to the enemy. (#)

64. However, in line with what should always be the basic operating premise of the counter-espionage agent-- to assume the worst and work against it-- it must be assumed that the enemy has carried on radio communication from these Islands. On January 10, 1942, the senior FCC representative in Hawaii wrote:

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"It is generally believed and logical to assume that radio is being used to convey information to the enemy in this area. The fact that no illegal operation has been discovered here to date means that the enemy is clever and that there is inadequate radio coverage..." (#)

After specifying the existing monitoring facilities and requesting additional equipment and personnel, the same writer believed that FCC would still be unable to cover the field completely, saying:

"...These recommendations constitute a practical compromise with the requirements for theoretically perfect coverage."

On January 16, 1942, the Director of the Federal Bureau of Investigation wrote:

"In regard to present conditions in the Hawaiian Islands, it is apparent that illicit shortwave radio transmissions are being sent from clandestine stations operating in the islands themselves, in communication with mobile units of the Japanese Navy, through which intelligence information is being reported to the enemy..." (#)

65. Opinion is divided as to whether the enemy espionage organization would use radio as a frequent and usual means of communication with Japan, or use it only in the rarest and most urgent cases. The answer to the question will depend directly upon the amount of risk apparently involved in such transmission and upon the suitability of other, less risky means of communication. Fixed and mobile FCC monitoring stations in the Hawaiian Islands maintain a constant watch for suspicious radio signals, and constitute a serious threat to any illicit sender. However, it is believed that such monitoring is not, and could not be, complete. Transmissions in the higher frequencies from certain portions of the island of Oahu cannot be received at certain other parts of the island. Emanations from a high-frequency transmitter located in a valley formed by sharply rising mountains usually might only be received within the valley or beyond its entrances, the mountains acting as a shield against lateral transmission. Using a directional antenna with a transmitter so situated, the field of interceptability could further be reduced, eliminating almost entirely the possibility of interception by at least the fixed monitoring stations.

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(4) Commercial radio station transmissions

66. In the Consulate communications plan already referred to (paragraph 42 (a)), this type of communication was provided for-- a radio want ad offering for sale a Chinese rug was to mean that several aircraft carriers had left Pearl Harbor; one advertising a complete chicken farm for sale, that all aircraft carriers had sailed; and, one offering to employ a beauty operator, that the whole battle force had sailed. If used, these transmissions were to have been sent over Radio KGMB, Honolulu, at about 9:45 o'clock on any morning. No such advertisements were in fact ever placed.

67. Such a method of code transmission is entirely feasible, although normally there would be a delay of at least a day in reporting information in this manner, since Honolulu radio stations generally require that advertising copy be submitted at least the day before it is broadcast. Commercial radio transmissions of KGU and KGMB, Honolulu, while probably not to be heard at all hours of the day in the Mandated Islands probably could be heard there at night. Daytime broadcasts could be heard by Japanese vessels cruising between there and the Hawaiian Islands, and by them be relayed to Japan.

68. The type of code to be used in conjunction with radio advertising would be simple to conceive and should create no suspicion in the minds of censors or the public, because it would use only words well known to the trade of the advertiser. The use of nouns representing trade names or products would be stressed in this code, to escape the effects of any ordinary paraphrasing that censors or radio station operators might impose. An internal indicator could be used to differentiate ordinary advertisements from those intended to convey information to the enemy.

69. While the use of spot ads of the type mentioned in the Consulate communications plan would arouse suspicion at the present time, it should be mentioned that there are a considerable number of commercial firms (some of them operated by Japanese aliens) who regularly advertise over the local commercial radio stations, and have done so since before the war. One of these firms might well be a "front" whose radio advertising could be used to transmit code messages.

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(5) Trans-Pacific and inter-island radio
telephone; radiograms

70. These means are grouped together because they each are interceptable by the enemy. There is good evidence that trans-Pacific telephone communications between Hawaii and California can be intercepted in Japan, but whether they are intelligible there depends on whether the Japanese have a suitable inverter ("unscrambler"). As to all of these means, however, sound counter-espionage practice requires that it be assumed that the Japanese can intercept such communications and render them intelligible.

71. Where these means are used to transmit information directly to an intercept station, a simple code similar to that which could be used in radio advertising would be appropriate. Here, again, the use of a business house as a "front" would add security for the espionage organization. Examination of trans-Pacific telephone censorship extracts indicates that many such calls are of a business nature, and involve conversations concerning products and brand names.

72. In addition, these means can be used for the purpose of communicating directly with other Japanese espionage agents, on the Mainland. Their use for that purpose would be essentially the same as the use of commercial cable, air mail, regular mail, and courier, which are discussed below.

(6) Cablegrams

73. Assuming the existence of Mainland "post offices" to which intelligence messages might be sent, the use of commercial cable as a means of getting vital information out of the Hawaiian Islands is quite feasible. This practice presupposes the existence of an information relay system, whose task it would be to re-route the information through any of many possible channels to an Axis country or to an Axis agent in a neutral state, for relay to Japan.

74. This method of communication requires only a simple code, perhaps of as few as 100 words and numerals, together with code designations for geographical sections on a grid map. If this means of communication were used often, several codes could be used to avoid the possibility of detection through repetition of the same code words.

75. Although the use of cablegram eliminates to some extent the time lag incident to transmissions by air mail

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and ordinary mail, there are some obstacles interposed by censorship, inasmuch as the immediate censor might take a fancy to paraphrase a message or suppress it entirely (in which case the sender would not necessarily be notified). However, it is believed that the use of proper codes, especially designed to avoid censorship and the effect of paraphrase, would make this a useful means of communication.

(7) Air mail; ordinary mail; parcel post; cargo; railway express

76. These media of transmission have several advantages not possessed by some of those previously discussed: First, the permitting of transmission of bulkier reports, in more detailed and more secure code; second, the opportunity for use of secret inks, grids, and other hidden writings; third, the transmission of maps, charts, plans, and other matter that must be represented graphically or pictorially, rather than verbally; and fourth, the transmission of physical objects of intelligence value, and written reports that have been reproduced on microfilm.

77. The great time lag between the happening of an event and the time a report of it reaches the effective enemy destination by one of the above means is the most serious disadvantage here. However, certain durable information (for example, that relating to the location of new airfields, drydocks, ammunition dumps, and especially the estimated dates of completion of construction in progress) would be only slightly diminished in value if so transmitted.

(8) Courier

78. The use of agents who are officers or crewmen of commercial airlines or the merchant marine has been suggested. (#) Such means would possess two advantages: First, in allowing the transmission of information by word of mouth; and second, the handling of physical objects.

79. However, because of the vagaries of merchant marine sailing these days, an agent on a certain ship could not be expected to call at Honolulu regularly. This would necessitate having couriers on a large number of vessels, requiring the espionage organization to become too large in proportion to the benefits to be gained by the use of couriers. Also, the factor of time required in such transmission is an additional adverse condition. It is much more likely that officers or crewmen of Pan American Airways, whose clippers make fairly regular trips between Hawaii and California, or

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other commercial airlines, would be sought to act as couriers.

(9) Carrier pigeon

80. Simply because it might be used for the carriage of information between islands of the Hawaiian group, this possibility is mentioned. However, it is considered relatively insecure, and perhaps vain, since inter-island mails are not censored and can therefore be used to better advantage than homing pigeons.

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IV. JAPANESE ESPIONAGE ACTIVITY IN HAWAII PRIOR TO THE WAR

(A) TYPE OF INFORMATION COLLECTED

81. An alien Japanese internee, who claims to have engaged in espionage for Japan in Hawaii 30 years ago, has stated that Japan started its espionage coverage of the Hawaiian Islands shortly after the Russo-Japanese War. (#) Initial study is said to have been made of the geography, topography, and hydrography of the Islands, so that by World War I, Japan had a rather complete compilation of all basic data concerning those subjects.

82. As indicated in Paragraph 19, the Japanese Consulate General, Honolulu, was particularly interested in the movements of United States Naval vessels in and out of Pearl Harbor. There is no evidence that such movements were especially watched and reported by the Consulate prior to the summer of 1940. This probably is accounted for by the fact that until that time the status of relations between the United States and Japan did not demand such reporting and that up to that time Fleet movements were publicized in the press.

83. Of particular importance to the Consulate in 1941 was information concerning new airfields in the Islands. Persons attached to the Consulate travelled to the islands of Kauai, Maui, and Hawaii particularly to look for new airfield construction, while new fields on Oahu were constantly sought. (#) The importance of such information is readily apparent when one considers the attack of December 7, 1941.

84. Arrivals of new air squadrons and troops to strengthen Hawaii's defenses in 1941, and the passing through Honolulu of men and materiel destined for China, also were closely watched and reported by the Consulate to Tokyo. (#)

85. Data concerning beaches, reefs, anchorages, tides and currents, and the like, undoubtedly were gathered chiefly by alien Japanese fishermen who almost exclusively manned Hawaii's sampan fishing fleet. Those beaches most suitable for enemy landing operations were closely studied, both by Consulate personnel and visiting Japanese naval officers on sightseeing trips.

86. The Consulate is also known to have been interested, but to a lesser degree, in the waterfront facilities on the four main islands; and, in the case of Kauai, the electric powerhouse at Wainiha was the object of scrutiny by a member

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of the Consulate staff sent to the Island of Kauai for that purpose in July, 1941. (#)

(B) PERSONNEL

87. Upon the basis of known facts, persons who have engaged in espionage in the Hawaiian Islands for the benefit of Japan may be classified as (a) officials, (b) agents, and (c) volunteers. For instant purposes, Consulate staff members, employees, and toritsuginin ("go-betweens," popularly called "consular agents") are denominated officials. Other local residents-- the self-appointed spies-- are classed as volunteers.

88. It is believed that the Vice Consul, at Honolulu, was ex officio responsible for the conduct of espionage operations of the Consulate. Certain Consulate secretaries (alien Japanese) and one local-born clerk (a dual citizen) are known to have collected military and naval information for the Consulate, in each instance reporting their findings to the Vice Consul. In another instance, a consular agent who was a Buddhist priest at Lahaina, Maui, was called upon by the Vice Consul to report the movements of the Fleet at Lahaina Roads. (#) Other consular agents were asked to report economic matters.

89. When interrogated after the outbreak of war, the local-born Consulate clerk above referred to stated that he had heard one Consulate secretary (who also was engaged in espionage in Honolulu) state that it was Japan's policy to maintain two espionage systems in countries abroad-- one system run by consulates, and the other separate from the consulates and entirely unknown to them. Whether any such extra-consulate espionage system was active in the Hawaiian Islands is not known. The difference in functions of the two systems was said to be that a consulate would indulge only in such espionage activity as could be carried on without compromising diplomatic and consular relations (such as the gathering of facts from newspapers, viewing ship movements from places of vantage not in any restricted area, and observing airfields and beaches from public highways), whereas an extra-consulate organization would carry on "illegal" espionage (such as trespassing restricted areas and the buying of confidential information).

90. The Consulate undoubtedly had a few paid agents, although in the one outstanding case, it does not appear whether the agent who received pay through the Consulate was receiving the same for services rendered at the direction of

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cannot be positively asserted. A Japanese clerk of the Consulate who had been engaged in espionage activities stated, when interrogated, that he once heard that Japanese tankers would sometimes leave some of their personnel in Honolulu, but he could not state the source of his information. (#)

94. In an effort to "make face" with Japan's officialdom, several local Japanese residents (aliens and citizens) have gratuitously, and in some instances voluntarily, engaged in espionage or propaganda activities beneficial to Japan. The Japanese bookstore owner previously referred to was found to have gathered extensive military information (of dubious value, however). He also willingly obliged a visiting Japanese, since found to have been an espionage agent, by driving the latter to points of military importance on the island of Oahu. On other occasions (1936-1941), in response to requests received while visiting Japan, he sent to Japan large quantities of maps, charts, and hydrographic publications on sale in Honolulu. The full volume of what he transmitted is not known, but his effects show that he sent at least 43 ocean charts, 6 air charts, and 51 maps, as well as several publications. (#) Many other local Japanese residents, over a period of 20 years, voluntarily (and in most cases, proudly) volunteered to drive visiting Japanese naval personnel to points of interest on the various islands at which such personnel called. One Japanese alien residing on Aiea Heights, whose home has an unsurpassed view of Pearl Harbor, is known to have been visited on occasions by officers of Japanese naval vessels which called at Honolulu prior to the war. (#)

(C) OPERATIONAL METHODS

(1) Collection of information

95. From the facts at hand, it must be said that almost all military and naval information known to have been transmitted from Hawaii to Japan, either by the Consulate or agents sent here on special missions, was gathered by the simple expedient of open observation, without trespassing restricted areas. (See Paragraphs 17-21) In this connection, it will be remembered that an analysis of the military and naval data found in the effects of Lieutenant Commander Itaru TACHIBANA, IJN, prior to his expulsion from the United States in the summer of 1941, revealed that about 70% of the national defense information was compiled from public reading material. (#)

96. In only a few instances were Consulate observers known to have used binoculars to observe Pearl Harbor and the

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the Consulate or of someone in Japan. This agent, Otto KUEHN, an alien German, is known to have received \$14,000.00 through the Consulate in October, 1941, but the money seems to have been transmitted directly from Japan, with the Consulate acting merely as delivery agent. However, subsequent to that time, KUEHN did commit overt acts of espionage and report his work to the Consulate directly, for which acts he has since been tried by a military commission, found guilty, and sentenced to 50 years' imprisonment. The Consulate is known also to have paid certain other persons who appear to have been chiefly engaged in propaganda work, but who may well have engaged in espionage, also. (#)

91. Much information of value to Japan is believed to have been gathered by Japanese espionage agents who came to Hawaii for relatively short periods of time, as non-quota immigrants or in the guise of visitors--in either case, seemingly having no connection with the local Consulate. One case is known of a Japanese agent who, around 1932, stayed in Hawaii for about four months, evidently to perform a specific mission. With the help of a Japanese bookstore owner (who had been naturalized as a United States citizen following his service in the United States Army in World War I), the visiting agent conducted considerable observation of the Island of Oahu and its points of naval and military interest. (#)

92. Espionage agents, or observers, who stayed but a short time in Honolulu were chiefly those military and naval officers of Japan who were passing through Honolulu on commercial or naval vessels. In the cases of visiting Japanese naval training squadrons, the officers invariably made sight-seeing trips around Oahu, taking them within full view of Pearl Harbor, certain Army reservations, airfields, and strategic beaches. Lieutenant Commander Sadatomo OKADA, IJN, expelled from the United States in the summer of 1941, is reliably reported to have come ashore here and to have driven with the Japanese Vice Consul to the vicinity of Waianae, long considered a possible landing beach. (#)

93. It is also believed likely that when Japanese naval oil tankers used to call at Honolulu (up until 1941), tanker personnel occasionally would be left in Honolulu on specific missions, and would take a later vessel back to Japan. No adequate control of the personnel of such vessels was ever effected here. Tallies made by other Government agencies of the number of persons leaving and going aboard such ships here often would show that more persons had gone ashore than had returned before sailing, but the accuracy of these tallies

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Naval Air Station, Kaneohe Bay, and even then, not illegally.

97. In the few cases of trespass to Government reservations and defensive sea areas that were investigated before the war, none were investigated beyond the point necessary to secure a conviction for trespass. It was therefore never established that the trespassers were or were not trespassing incident to espionage activity.

98. Accurate maps and charts of the Hawaiian Islands and adjacent waters long were on sale in downtown Honolulu, and available to any purchaser. Tourist maps showed the approximate location of many military and naval installations. (#)

99. Photographs of many strategic places on Oahu were on sale in Honolulu stores-- even panoramic views of Pearl Harbor. (See Paragraph 19.) With the exception of the highly suspicious activity of seven Japanese seen photographing from various points on the shore of Kaneohe Bay, looking toward the Naval Air Station, on November 4, 1941, no outstanding cases of suspicious photographing have been noted. (#) The Kaneohe Bay incident is significant, however, because construction work then in progress at the Naval Air Station could not readily be seen from any point close to the station, the same being on a peninsula. Photographs taken from across the bay, however, would have provided excellent information.

(2) Evaluation of information

100. Since nothing is known of the contents of intelligence reports transmitted to Japan by couriers, it cannot be said whether the information therein was evaluated by the Consulate as to its over-all value, or as to reliability only, nor whether information sent through the Consulate was digested before transmission. However, according to former Consulate clerks, where reports were sent by commercial radio or cable, they were always predigested. Where a newspaper was the source of information transmitted by radio or cable, that fact would be stated.

101. It is believed that in general the Vice Consul was responsible for making close initial evaluation of all intelligence transmitted to Japan. While he rarely made observations himself, it was he who questioned the Consulate staff members who were sent to view ships in Pearl Harbor or to observe vital installations on Oahu or the outlying islands. He also seems to have been the person through whom reports from all available sources filtered, and in one specific

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case he is reported to have told a secretary that the latter's observations on a certain matter were wrong (presumably basing his conclusion on what he considered better evidence from another source). (#)

102. Considerable information transmitted to Japan was clipped from local newspapers, all of which were personally studied and marked for clipping by the Vice Consul. (#)

103. With regard to facts not of a military or naval nature, but affecting the Japanese residents of Hawaii (and possibly Japan's international relations with the United States), these generally were discussed by the Consul General and the Vice Consul, in consultation with prominent alien Japanese residents who acted as advisors to the Consulate.

(3) Transmission of information to Japan

104. While vessels of the N.Y.K. Line were running regularly through Honolulu (until mid-summer, 1941), much of the Consulate correspondence was transmitted to Japan by diplomatic couriers, who made regular trips between Tokyo and the embassy in Washington, and return. The captains of N.Y.K. liners and of Japanese naval oil tankers also carried pouches from the local Consulate to Japan.

105. However, in 1941, a large volume of commercial radio and cable messages was sent to Japan, most of the messages encrypted. (#) These means of communication were particularly necessary in the fall, when only one ship, which left Honolulu on November 5th, went to Japan.

106. Although there were many amateur radio operators of Japanese ancestry in Honolulu who might have been used for the purpose, there is no evidence that any Consulate traffic ever was sent to Japan through them. (#) Commercial communication facilities being open for that purpose, there was no need to jeopardize a potential source of wartime espionage transmission. Neither is there any evidence, nor was there ever any reason to believe, that the Consulate maintained its own radio transmitter for direct communication with Japan.

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V. PRESENT JAPANESE ESPIONAGE ACTIVITY IN HAWAII

(A) INTRODUCTORY(1) Evidence of enemy espionage

107. In the earlier sections of this analysis, there are set forth certain facts tending to show specific instances of enemy espionage activity. Properly functioning counter-espionage organizations must assume the existence of such enemy activity at the present time, for the contrary cannot be proved.

108. It is believed that there have been sufficient unexplained suspicious activities in the past 16 months to warrant the assumption that Japan is carrying on some form of espionage in the Hawaiian Islands. Assuming that the unidentified craft that have been detected at night close off Oahu and Maui since the outbreak of war were Japanese submarines and were in Hawaiian waters primarily on combat or reconnaissance missions, their presence here for either or both of those purposes alone cannot be reconciled with the fact that they have unnecessarily exposed themselves in waters close to shore-- particularly in waters outside fruitful combat and reconnaissance areas. It is tactically unsound for submarines to have operated in many of the areas in which the unidentified craft were detected, except if they were there for some other reason-- to put agents ashore, receive communications from shore, and the like.

(2) Espionage activity as affected by the state of diplomacy

109. It should be mentioned, in passing, that espionage activity must be, and in Hawaii has been, affected by the state of diplomatic relations between the United States and Japan. The three usual states of international relations are:

- a/ Period of normal diplomatic relations
- b/ Period of ruptured diplomatic relations, or non-diplomacy
- c/ Period of belligerency

110. In the recent history of United States-Japanese relations, the period of normal diplomatic relations ended on December 7, 1941. During that period, espionage in Hawaii was largely handled through the Consulate, which could

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expeditiously report its intelligence to Japan in encrypted despatches and by commercial cable and radio.

111. It is believed that the Japanese contemplated that a period of ruptured relations would exist before war was started, and appropriately planned a system of communications to be used in that period. Reference has been made to the signalling system of the Consulate. (See Paragraph 42 (a)) This system was designed and submitted to the Consulate by KUEHN, referred to in Paragraph 90. It is not known whether the signalling system was ever used.

112. The third phase in which an espionage system would have to work is the period of war, in which period all Japanese consulates and Japanese (foreign-owned) business houses, which formerly might have collaborated in the gathering and transmission of intelligence to Japan, would be closed.

113. It is believed that, in all likelihood, the espionage organization which would go into action in wartime would not have been operative as such before the war. At least, it would have maintained no connections with the Consulate or leading alien Japanese business houses, for fear of attracting the attention of counter-espionage agencies. The remainder of this analysis will dwell upon what is believed to be a workable pattern of Japanese wartime espionage in Hawaii.

(B) PERSONNEL

(1) Selection of personnel prior to the war

114. The successful operation of an espionage organization in the Hawaiian Islands in wartime implies a considerable amount of forethought and planning. The key personnel of the system must have been in the Islands, prepared to execute their basic orders under such conditions as might develop.

115. Appendix "C" is a schematic diagram setting forth the various functional units of an espionage organization. It will be noted that the organization is divided into the directive, collection, evaluation, and communication units. Presumably the key men in the Islands when war broke out included the heads of each of these units. In discussing the matter of the probable or possible Japanese espionage organization in the Hawaiian Islands, it is not intended that the use of the singular should imply that it is believed that only one such system might exist. The possibility must always be considered, that there are two or more systems, working

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jointly or separately.

116. It is not necessary that all personnel ultimately needed in the organization should have been recruited before the war. In many of its functions, the espionage system will use in the most exposed positions persons recruited from time to time, either because of their loyalty to Japan or for their love of money or revenge. It is quite possible that in past years the local Japanese Consulate General, through its toritsuginin (themselves appointed because of their loyalty to Japan), had established lists of loyal Japanese who could be called upon at any time to aid Japan's cause. (Giichiro UYENO, mentioned in Paragraphs 45-46, may have been a loyal Japanese so selected.)

117. Also presumably available to the wartime espionage organization would be a list of all persons, Japanese and non-Japanese, who might ever have been used by the Consulate in any criminal or subversive capacity. This group should contain many persons loyal to Japan, or otherwise disaffected. In addition, such persons are likely to be more valuable because of their prior experience.

(2) Type of personnel used

118. Opinion is varied concerning the nationality and race of personnel in the wartime espionage system. The operating premise of counter-espionage agents must embrace three conceptions of the possible composition of the Japanese espionage organization, namely, that it uses:

- a/ Individuals of Japanese ancestry only; or,
- b/ Only non-Japanese; or,
- c/ A combination of Japanese and non-Japanese.

The consensus of those who have carefully considered the problem is that the third possibility is the most likely.

119. It is reasonable to assume that Japan would have preferred to have built her wartime espionage organization in Hawaii wholly around Japanese of known loyalty to Japan. However, certain considerations might deter the adoption of such a policy:

- a/ Upon the outbreak of war, all Japanese in Hawaii immediately would invite the greatest degree of suspicion.

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b/ Japan could not foresee the attitude of United States authorities in Hawaii towards resident Japanese, for the excellent reason that no policy concerning control of resident Japanese was formulated until after war began.

c/ Therefore, Japan had no reasonable assurance that any person of Japanese ancestry would retain freedom of movement in wartime. Japan might well have assumed that all persons of Japanese ancestry would be denied access to vital areas in wartime, that many such persons (possibly all alien males) would be interned, that stringent curfew, travel control, and communications restrictions would attach to all such persons, and that mass evacuation or relocation measures might be invoked to remove virtually all Japanese from at least the island of Oahu.

If the foregoing facts were so considered by Japan, she would never have built her local espionage organization entirely around a nucleus of Japanese.

120. On the other hand, Japan may have reasoned that the magnitude of the Japanese problem in Hawaii, in terms of sheer numbers (160,000 Japanese residents), was such that the United States authorities would have to allow many Japanese to remain at liberty. If this were the reasoning, one might expect to find that the espionage agents include American-born Nisei, probably expatriated, who have negative records of pro-Japanese activity and positive records of pro-Americanism. They might well be informants of the counter-espionage or law enforcement agencies. They could reasonably expect to be among the last Japanese to be evacuated or interned. It is therefore pertinent to observe that many of the Japanese so described are still at large and are able to carry on their appointed tasks.

121. Variations of the above two extremes are equally possible. For purposes of security, the vital core of the organization might be composed of non-Japanese. As the extent and effectiveness of United States security and counter-espionage methods became more apparent, the espionage leaders would be able to draw upon loyal Japanese personnel to the extent deemed prudent and necessary. Contrariwise, the central unit might be under instructions to use no Japanese.

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122. On the other hand, the nucleus of the organization may be composed of Japanese, who will make use of non-Japanese as the need and opportunity arises. This group might even have available a non-Japanese whose sole function would be to assume direction of the espionage organization in case the members of the original core are immobilized or rendered ineffective by security or counter-espionage measures.

123. The Japanese already have used individuals of other racial groups to collect information. In Hawaii, during the last few weeks of peaceful relations, the Japanese Consulate General requested KUEHN, an alien, to submit a plan for shore-to-ship signalling. The Farnsworth and Thompson cases may also be cited. A former clerk of the local Consulate, when interrogated, told a story given him by one of the Consulate secretaries, that for years Japan had been purchasing information from a British naval officer stationed in China. (#) Reports from Mainland Naval Districts indicate that the Japanese contemplated using disaffected negroes for espionage work. It is entirely plausible, then, that the Japanese espionage organization may be using Koreans, Chinese, Filipinos, or members of other racial groups represented in the Territory of Hawaii.

124. A clear distinction must be made between the concept of a Japanese espionage organization which employs non-Japanese, and the concept of a German espionage unit operating here for the benefit of Japan. The existence of the latter type of organization, while possible, is deemed doubtful. Germany has little immediate military interest in Hawaii, and lacking that, it is doubted that it would risk the services of trained German agents to aid a not completely trusted Axis partner. If a German espionage unit is functioning in Hawaii, it probably exists merely as an observational check on information which Japan from time to time undoubtedly supplies Germany regarding military and naval operations centering around or emanating from Hawaii. There is the possibility that German and Italian agents might before the war have recruited personnel for the wartime Japanese espionage organization, and it is known that an Italian courier system was operating across the Pacific, through Honolulu, prior to the closing of the local Italian Consulate in July, 1941.

(C) OPERATIONS

(1) Functional units of the espionage organization

125. Reference to Appendix "C" will show that the functional

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divisions of the espionage organizations are believed to be four:

- a/ Directive unit;
- b/ Collection unit;
- c/ Evaluation unit;
- d/ Communication unit.

The word "unit" is intended to mean functional, rather than personal, unity in operation, although a single person might in some cases be the entire personnel of one or more units. It is intended to stress the functions of the organization, rather than the number of personnel.

(a) Directive unit

126. This is the person or section of the organization which directs all operations. It is assumed that well in advance of war, the head of this unit received explicit instructions as to the nature of information to be gathered in Hawaii in wartime, the relative importance of different types of intelligence, and the manner in which the same should be reported. The directive unit would be responsible for the entire espionage organization, centralize the authority therein, and keep the machine functioning.

127. Probably, but not necessarily, the head of the directive unit of the organization would also be directly in charge of the evaluation unit.

(b) Collection unit

128. The function of this section is to cull from available sources (see Paragraphs 16-30) such information as is known to be of value to Japan. The director of this unit may confine his activity to collection work alone, or may supervise that in addition to other duties. Conceivably, the directive head of the whole organization might personally direct the collection unit.

129. In all probability, the collection unit was partially organized before the war. In order to be able to best utilize certain sources of information in wartime, previous preparation would have been necessary. For example, to effect ready and constant observation of Pearl Harbor, it would be desirable to have a home on Aiea Heights occupied by an agent of

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the espionage organization. (#) Agents could more readily be "planted" in the Navy Yard, Pearl Harbor, and in other vital areas, and disaffected persons could more readily be developed as sources of "inside" information, before the war then thereafter.

130. The prime requisite of an agent operating for the collection unit is that he have access to the information he desires without creating suspicion. Not all agents can collect information at their normal places of work or abode; some must travel to obtain it. For the latter, unobtrusive mobility is a necessity.

131. While much information of value can be learned in the course of a normal day's activity in the city of Honolulu proper, regular trips around the whole island of Oahu undoubtedly would be of great value (and perhaps be considered absolutely necessary by the directive unit). Travel around Oahu in the daytime is virtually unrestricted, and the trained observer can readily determine the location of many new plane dispersal points, searchlights, radar installations, machine-gun emplacements, and landing fields. For example, the new airfield at Kualoa, Oahu, extends across the around-the-island highway, so that private vehicles drive across the runway of the field, and planes land across the highway. Automobiles on the highway are required to drive slowly in this area, but are not allowed to stop, unless planes are landing or taking off, when automobiles must stop. Normal driving speed, however, affords ample opportunity, on two or three trips, to locate most of the camouflaged revetments, estimate the length of the field, and locate wooded areas in which planes are hidden or being overhauled, and where fuel trucks are parked.

132. It would also seem likely that observers have been placed on the outside islands of the Hawaiian group (principally Hawaii, Maui, and Kauai), in order to make available to the head of the espionage organization (presumably on Oahu) military and naval information available on those islands. No censorship of mails transmitted between islands is maintained, and travel of civilians (including Japanese) by air is considerable, so that transmission of the information from outside islands would present no great difficulty. It is possible, though improbable, that agents on outside islands would communicate their information directly to Japan. More likely still is the possibility that information may be sent from Oahu to outside islands for re-transmission to Japan.

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(c) Evaluation unit

133. This section of the organization probably would contain one or more trained operatives familiar with military and naval matters. In order to discharge its duties, the evaluation unit would have to be cognizant of the basic instructions of the organization as to the type of intelligence required to be reported to the enemy.

134. This section would evaluate and digest all information of value to the enemy, determine what information should be communicated, and probably the manner of its communication--subject to the general supervision of the directive unit.

135. Where coding of messages is required, the same probably would be handled by this section, and not by the communication unit. This would be in keeping with the principle that, insofar as possible, the workings of the organization and the product of its work be known by as few persons within the organization as possible.

(d) Communication unit

136. The function of the communication section is to transmit information from the Hawaiian area to the enemy, utilizing any or all of the means indicated in Paragraphs 42-80, subject to the general supervision of the directive unit. Since the manner of transmission to be employed in each case will vary with the nature and urgency of the information to be sent, presumably the directive unit would determine what means of communication would be used.

137. A technical communication section is not required for all types of transmission. While the use of short-wave radio would require technicians, the use of other means might require only an expert cryptographer, who might be a member of the directive or evaluation units. However, there are many amateur radio operators in Honolulu (a large number of them Japanese), from whom could possibly be drawn the necessary technicians for short-wave radio work. Many communications might be released in different ways through a business "front."

138. Since it is believed that the espionage organization exposes itself most while communicating information, it is felt that those most exposed agents are the agents most likely to be securely insulated from the directive center. The organization should be so constructed that the apprehension of a communication agent would not lead to exposure of the whole system. Following the usual echelon pattern, the

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agent farthest from the hub would know no one but the agent from whom he receives his instructions (and preferably not even him). Various ways of effecting liaison between agents who do not know one another have been discovered in the past history of espionage and new ways may be devised by a directive head having a good imagination and a reasonably good knowledge of prevailing counter-espionage measures in a given locality.

139. In the shore-to-ship sub-unit of the communication section (see Appendix "C") men of known loyalty to Japan, but not necessarily possessed of better than average intelligence, could be used to good advantage. These persons might be denominated "action men," whose only function it would be to conduct blinker-tube signalling, or to swim or row to a submarine off shore, or to arrange land or sea caches. These persons would know little or nothing of the rest of the organization; they need not be told the meaning of messages they might be directed to transmit, nor the contents of pouches they might deliver.

140. Perhaps Giichiro UYENO, mentioned in Paragraphs 45-46, was an "action man." Immediately before he was killed, his actions were those of a person who might have been proceeding to a point of vantage from which to conduct visual signalling to a submarine off shore. He was a recluse, living in such a manner and at such a place that suspicion was not likely to be attracted by a person calling upon him to give him instructions with regard to signalling. Had he been captured, rather than killed, he likely would not, and perhaps could not, have named the person or persons who had given him instructions.

141. Anticipating that all local stocks of radio equipment might be commandeered for military use in the event of war, or that the purchase of suitable transmitting equipment during wartime would arouse suspicion, the organization certainly would be well supplied beforehand with such equipment, as well as with technicians and operators.

(2) Use of a business firm as a "front"

142. As previously stated, the espionage organization must employ deception to cover many of its activities. Private individuals cannot, without good reason, engage in the ramified work of the espionage organization without soon inviting suspicion. Therefore, a "front" of some kind for the organization, most likely the use of a business firm, is required. It is not assumed, however, that the "front"

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would have to be a business house.

143. A glance at Appendix "C" shows the many activities that the espionage organization may engage in. The use of a business firm in discharging the communication function is stressed in the diagram, although it is obvious that the same "front" could be used also in the collection of information. For example, deliverymen of many Honolulu firms have access to certain restricted areas on Oahu; salesmen and collectors regularly make the around-the-island road trip in dealing with customers; workmen of all types have regular access to the Honolulu waterfront.

144. The heads of the directive or evaluation units, or both, might be managers of the business "front." Among customers patronizing such business house might be agents of the espionage organization who call there to meet with their chiefs, either to receive instructions or to report information. Deliverymen and salesmen of the firm could in the normal course of their work make contact with members of the espionage organization who never visit the business house.

145. An established business house whose volume of business warranted the same would be in a position to use regular commercial radio advertising as a medium for the transmission of intelligence to the enemy; similarly, overseas telephone calls, radiograms, cables, and mail.

146. An important advantage to be found in the use of a suitable business "front" would be the availability to it of large sums of cash, the procurement of which the ordinary individual in Hawaii at the present time would find most difficult.

(3) Finances of the espionage organization

147. An espionage organization must have available to it at all times large sums of money for a number of purposes, among which may be mentioned:

- a/ Payment of agents' salaries;
- b/ Maintenance of a business "front";
- c/ Purchase of supplies and equipment;
- d/ Purchase of information.

It will be recalled that the eight Nazi saboteurs captured in

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the United States in 1942 were supplied with currency amounting to more than \$100,000.00 for their operations.

148. Currency control measures instituted in the Territory of Hawaii since the war began could well have seriously affected the enemy espionage organization's financial structure. First, the Military Governor ordered that all persons in the Hawaiian Islands should turn in to banks all currency in their possession in excess of \$200.00, and that they might thereafter draw no more than \$200.00 cash a month. Corporations and businesses requiring larger sums of cash on hand were given special licenses. Second, the Treasury Department called in all standard United States currency circulating in the Hawaiian Islands and issued new like currency bearing the word "Hawaii" overprinted thereon. The overprinted currency may not be taken from the Islands and is not legal tender elsewhere. Standard United States currency can no longer be used as legal tender in Hawaii, except when presented by United States Navy personnel arriving from outside the Territory.

149. Since it is difficult to smuggle into Hawaii in quantity money which is legal tender here, telegraphic and draft transfer of credits is the only feasible means of supplying the espionage organization with funds from without. These means afford little opportunity for the transfer of large amounts of money without suspicion, because of the close watch kept on all such transfers by censorship authorities. (#)

150. It is possible that the espionage organization might have foreseen that drastic currency control measures would be put into effect in the Hawaiian Islands in wartime, and to have planned accordingly. This could have been done in some measure by the purchase before the war of readily realizable assets, such as high grade securities and readily marketable real estate.

(4) Instructions from Japan in wartime

151. The general operating instructions of the enemy espionage organization as formulated prior to the war must have specified definite types of data that should be gathered during wartime and the manner of communicating the same to Japan. However, the course the war might take would affect these matters, necessitating new directives to the organization.

152. Code messages over Radio Tokyo are known to have been among the contemplated means of disseminating information to Japanese consulate abroad, just about the time of the outbreak of war. (#) This is still considered a likely means of

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communicating with agents in Hawaii.

153. For the transmission of detailed instructions, new operating codes, or the introduction of new outside personnel into the organization, physical contact by enemy submarines with Hawaiian shores is feasible.

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VI. COUNTER-ESPIONAGE MEASURES IN HAWAII(A) "COUNTER-ESPIONAGE" DEFINED AND DISTINGUISHED

154. "Counter-espionage" is that intelligence activity which "has as its objective the denial of information to the enemy," and which "includes the supervision, coordination, and active operation of all investigative measures intended to prevent espionage." (#)

155. Counter-espionage does not include the functions of maintaining internal security, preventing sabotage, detecting seditious or other criminal acts, or isolating disaffected persons. However, agencies charged with the latter functions and the counter-espionage agencies must work in close cooperation and maintain a constant exchange of information regarding subversive trends, persons, and groups.

156. As used in this analysis, "internal security" does not refer to the security of the Naval Establishment, but to the internal security of the Hawaiian Islands generally. The maintenance of such internal security is chiefly a problem of population control, and, from the intelligence viewpoint, is simply a matter of isolating from the general public enemy sympathizers and disaffected persons whose future actions may be detrimental to good public morale or injurious to vital installations. (#) The maintenance of the internal security of the Hawaiian Islands, under martial law, is the responsibility of the Military Governor, but the Navy has a fundamental concern in its maintenance:

"The Navy has a vital and paramount interest in maintaining the internal security of these Islands. This interest arises from the fact that, from a military point of view, the sole function of the Islands is to afford the United States an advanced Naval base." (#)

It must be emphasized, however, that the problems of internal security (that is, population control) and espionage (enemy information-gathering activity) are essentially dissimilar, and must be approached from entirely different angles.

157. The District Intelligence Officer has in the past investigated both espionage and internal security cases in the civilian population. Still a third class of cases, which now occupies the greatest portion of the investigative efforts of this office, is made up of the so-called "Naval security" cases, which concern the loyalty of Naval personnel and employees and other persons having access to Naval ships,

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stations, and other areas under Naval jurisdiction.

158. The functions of maintaining internal security or Naval security, preventing sabotage, detecting seditious or other criminal acts, and countering espionage are not unrelated. It often develops that an espionage investigation will uncover persons whose activities or sympathies are inimical to the United States and its internal security, but do not necessarily involve espionage activity. In the respective cases, prompt dissemination of information is required, so that the officials properly charged with responsibility in the premises may pursue their own courses of action. This avoids having counter-espionage agents doing internal security and police work, and of having internal security and police officials working in the counter-espionage field.

(B) VARIOUS APPROACHES TO THE ESPIONAGE PROBLEM

(1) Introductory

159. Historically, espionage is a military operation, not a crime. The laws of war have always classed espionage as a permitted military practice, at the same time recognizing the right of nations spied upon to punish individual spies for their gathering or communicating of information to an enemy. (#) However, since the adoption of the Espionage Act of 1917 in the United States, whereby espionage was for the first time in this country defined as a civil (as distinguished from military) crime, there has been a tendency to class espionage as just another, albeit "glamorous," Federal criminal offense.

160. Because of the popular fallacy that espionage is just a crime, there has seemingly developed another popular (and costly) belief that the way to catch spies is to apply proven crime solution methods in counter-espionage work. This has not been wholly beneficial. While the skilled investigator's services are needed in counter-espionage work, his detective viewpoint (that is, crime solution rather than crime prevention) is a seriously diverting influence. By training, his mission has been to solve a crime that has already been committed. Figuratively, the detective's work is half done when he starts, because at least he knows that a crime has been committed, and he need only find the person or persons responsible. Therefore, as a detective, he thinks in terms of starting an investigation only when evidence of a crime is shown him (that is, when he learns of the corpus delicti), usually by means of what he calls a "complaint."

161. But, there is seldom a visible corpus delicti of

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espionage. By their very nature, espionage operations are conceived to be imperceptible if possible, and they rarely leave any evidence of their commission: A photograph taken of a warship leaves no tangible trace on the subject photographed; the irresponsible person who divulges confidential information is not warned when his utterances reach enemy ears; a secret code book is not marred by photostatting. The professional detective, however, attempts to adapt himself to this new field by considering the suspect himself as the corpus delicti. Thus, he opens a case on the basis of a specific or vague complaint, concerning a known or unknown person who "has been acting suspiciously," "spends too much money," "keeps his ear cocked when there is talk about ships at Pearl Harbor," "owns several cameras and does his own developing," and the like. He cannot appreciate the lesson of experience, that spies, unlike criminals, do not commit espionage in the sense that ordinary crimes are committed, nor do they generally "act suspiciously" in the presence of the good citizens who generally are the informants in these cases.

162. In the rare instance where an espionage agent gets his desired information by overt criminal action (for example, by stealing classified matter), there is generally a discernible corpus delicti. From that point on, sound police investigation methods can be employed with a normal expectation of success of determining who committed the theft. However, counter-espionage is only incidentally interested in "catching the criminal"-- it uses the immediate criminal as a guide to other members of the espionage system, with the thought in mind of eventually uncovering the whole network. Then, and only then, should any thought of prosecution (and its necessary, but undesirable, concomitant, publicity) be considered. Here, again, the police detective adopted into the counter-espionage fold is at a disadvantage, for he has been used to looking for newspaper recognition for his successful solving of cases.

"The disclosure of these /foreign espionage/ services is the main purpose of counter-espionage work and the most difficult problem which confronts the intelligence agent. Law enforcement or police procedures are entirely inappropriate for this work. Experienced counter-espionage agents have long since learned the futility of attacking espionage services by routine methods of investigation which may have proved successful in ordinary crime detection..." (#)

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(2) The "Suspect" Approach

163. The "suspect" approach in counter-espionage is that which concerns itself with the investigation of one or more persons suspected of being espionage agents. For purposes of exposition, these suspects may be divided into three classes:

- a/ "Logical" suspects
- b/ "Complaint" or "reported" suspects
- c/ "Developed" suspects

164. The logical suspects are those persons who, because of the very nature of their occupations, are known or assumed to be engaged in espionage of one sort or another. In this class are diplomatic and consular officials, military and naval attaches, and visiting foreign government officials. Investigation of such persons may be made to determine whether in fact they are engaged in espionage, and, if they are, what other persons in contact with them are likewise engaged.

165. The reported suspects are those who are investigated on the basis of a specific complaint or report alleging that they are suspicious or subversive. (See Paragraph 161) Approaching the espionage problem chiefly through the investigation of reported suspects is costly in effort and largely unproductive. It represents the police detective approach to a non-police problem.

166. Trying to identify the enemy's espionage organization by this approach alone generally is successful only if the original report is accurate and has been properly evaluated. Unfortunately, the intelligence offices are deluged with complaints, of which proper evaluation can generally only be made after some investigation. In practically all such cases, the complaints are found groundless. In many cases, the allegations made can be neither proved, disproved, nor explained. The fact that a person is engaged in espionage can be established in most cases only after intensive and discreet surveillance. Obviously, surveillance cannot be used in the investigation of every complaint.

167. The "complaint approach" psychology is fatal to effective counter-espionage, because it causes the investigator to depend mainly upon the incidental scraps of information supplied by voluntary informants who are mainly untrained. Trained informants, paid or voluntary, are relatively few. Enemy agents are not likely to create suspicions in the minds of untrained

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informants, and rarely will they leave themselves open to detection by even the most trained informant.

168. Because complaints are not likely to be received concerning the vital matters which the counter-espionage services should know, those services will continue to remain ignorant of espionage activity as long as they depend upon receiving complaints before instituting counter-espionage measures, of which investigations are but a part. And, as long as counter-espionage agencies continue to function principally on the "complaint basis," they are easy prey for the enemy espionage agents, who will provide diversions in the form of false reports (i.e., "complaints") to the intelligence services, causing the counter-espionage agents to waste a great deal of valuable time. Every investigative man-hour wasted on a false "lead" is an additional hour of security for the espionage organization. (#)

169. What we have chosen to call the "developed" suspects are those persons who have been for all practical purposes established as enemy agents, either after investigation, or by chance. The development of a suspect to the point where he becomes a known enemy agent then presents a situation where further counter-espionage measures may be taken along either the suspect or the functional lines, or both.

(3) The "Functional" Approach

170. The functional approach in counter-espionage work is that imaginative approach which, utilizing a full knowledge of all known facts concerning the modus operandi of enemy agents and reasonably estimating the objectives of the enemy's espionage, seeks to detect, counter, and neutralize enemy espionage functions. This approach is essentially a screening operation, the purpose of which is to throw both an observational surveillance and a protective cordon around places and things it is believed the enemy agents will try to learn about. It is the same in principle as the putting of cheese in traps to attract and catch rats, thereby saving the tremendous effort of seeking out the rodents individually without having a clear idea of where to find them.

171. The difference between the functional approach and the suspect approach can be illustrated in a simple situation: Assume that on the island of Oahu there is a hill that affords the best possible location for visual signalling from shore to ship. Using the functional approach, a surveillance should be placed around the hill to ascertain what persons, if any, visit the locale either to engage in signalling or for no apparent

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valid reason. When a likely suspect is noted in this manner, further investigation along appropriate lines can be made. On the other hand, using the suspect approach in the same situation, the counter-espionage agents would sit in their offices, not thinking of the hill more than anything else, and await reports from informants concerning unusual occurrences or suspicious persons, some of which reports might possibly involve the hill.

172. Constant patrol or observation-- the active seeking of information, as distinguished from the passive receiving of it-- is another manifestation of the functional approach. Thus, the continuous monitoring work of the Federal Communications Commission radio intelligence units in Hawaii is essentially a functional approach to the problem of detecting enemy transmissions. If the FCC monitors were to take action only upon the receipt of specific reports or complaints of suspicious radio activity-- the suspect approach-- the situation would be patently absurd.

173. It has been asserted that in discharging its communication function, the espionage organization is most vulnerable. Communications, above everything else, should be attacked vigorously and functionally. It is foolhardy to sit back complacently and await reports from informants who believe they have noticed a suspicious transmission, whether by radio, visual signal, or otherwise. Rather, all avenues of possible communication should be under constant observation. Then, if the enemy agent indulges in communication, he must cross the field of observation, thereby risking detection; and, if he does not attempt communication, the ultimate purpose of counter-espionage has been fulfilled, for no information has been transmitted to the enemy.

(C) RESPONSIBLE AGENCIES

174. The United States government agencies which before, or during, the present war were, or are, charged in some way with denying information to the enemy in the Hawaiian Islands are:

- 1/ Military Intelligence Division,
Hawaiian Department. (MID)
- 2/ Federal Bureau of Investigation,
Honolulu Field Division. (FBI)
- 3/ District Intelligence Office,
Fourteenth Naval District. (DIO)

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- 4/ Federal Communications Commission,
Radio Intelligence Division,
Radio Security Center (Hawaiian
Monitoring Area). (FCC)
- 5/ National Censorship:
 - a/ Postal Censor, District of Hawaii.
 - b/ Cable & Radio Censor, Honolulu.
- 6/ Collector of Customs, Honolulu.

The functions of each of these agencies is discussed briefly below:

(1) Military Intelligence Division

175. The Assistant Chief of Staff, G-2, Hawaiian Department, is in charge of both combat intelligence and domestic intelligence staff functions. Active direction of domestic intelligence activities is delegated to an officer designated as the Contact Officer, whose office is in downtown Honolulu, proximate to all other agencies above named.

176. Until the declaration of martial law in Hawaii on December 7, 1941, MID had no investigative responsibility in counter-espionage matters except in cases wherein the subjects were persons in the Army, employed by the Army, or having access to Army reservations. (#) However, upon the outbreak of war, the Army Department Commander assumed the Military Governorship of Hawaii and MID took over active direction of intelligence work affecting the general civilian population.

177. On February 9, 1942, at Washington, the heads of MID, FBI, and ONI signed a new delimitation agreement, wherein it was provided that in areas under martial law the military commander should be responsible for domestic intelligence coverage. As to Hawaii, the new agreement has been interpreted to mean that the Department Commander (Military Governor) is the military commander. The Contact Officer, MID, derives his authority from the Military Governor and is actively responsible for such intelligence coverage.

178. The Contact Officer is in close and frequent consultation with the Special Agent in Charge, FBI, and the District Intelligence Officer. He has a subordinate designated as liaison with FCC for radio intelligence work. In lesser degrees, the Contact Officer is in touch with the work

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of the District Postal Censor and the Cable & Radio Censor, Honolulu.

179. Except in cases of espionage "directed solely against" the Navy and for subversive activities occurring within areas under Naval jurisdiction, or involving Naval personnel or employees or Naval contractors' personnel, the Contact Officer is responsible for counter-espionage planning and coverage in the Hawaiian Islands.

(2) Federal Bureau of Investigation

180. The Special Agent in Charge heads the Honolulu Field Division, FBI, which field division embraces the Hawaiian Islands and not Honolulu alone.

181. Prior to December 7, 1941, FBI had investigative responsibility in all cases of subversive activity (including espionage) involving the general civilian population. In cases of Japanese subjects, FBI and DIO had concurrent authority and responsibility. FBI supervised the formulation of a list of persons considered dangerous and who should be taken into custody in the event of war. Persons on whom the Attorney General of the United States had authorized the issuance of custodial detention warrants were promptly apprehended on December 7th or as soon thereafter as possible by squads of FBI, MID, and DIO agents, and local police. Other persons on whom the Attorney General had not issued such warrants were apprehended under the authority of the Military Governor.

182. Even though the pre-war delimitation agreement (among MID, FBI, and ONI) remained in force until February 9, 1942, on the outbreak of war FBI in effect deferred to MID in the matter of counter-espionage responsibility and direction because the superimposition of martial law on the Hawaiian Islands effected such a radical change of circumstances as to make the then existing delimitation agreement inapplicable to conditions of martial law.

183. Under the present delimitation agreements, FBI has no responsibility for counter-espionage coverage in the Hawaiian Islands, but does cooperate with MID and the DIO in intelligence matters. However, FBI does in fact conduct some investigations of possible espionage suspects, seeking to determine whether certain persons have acted as foreign governmental agents without having properly registered with the Secretary of State. Even though the investigation of such suspects might also be of counter-espionage concern, the delimitation agreements do not make reference thereto.

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(3) District Intelligence Office

184. The District Intelligence Officer is in charge of this organization and is directly responsible to the Commandant, Fourteenth Naval District, and to the Director of Naval Intelligence. The District Intelligence Office is composed of a main office in downtown Honolulu, three zone offices on outlying islands, and ten intelligence units operating within Naval stations on Oahu, Maui, and Midway.

185. Prior to December 7, 1941, the DIO had investigative authority in all counter-espionage matters where the subjects were Navy personnel and employees and Naval contractors' employees, and concurrently with FBI, counter-espionage responsibility in cases of Japanese subjects. Upon the outbreak of war, the DIO also deferred to MID, when the Contact Officer took over active direction of intelligence matters concerning the general civilian population. The DIO concentrated its efforts on Naval security cases, assisting MID insofar as possible in internal security matters.

186. Under the new delimitation agreement of February 9, 1942, the Military Governor was charged with intelligence coverage, including the coordination of the facilities of other agencies with MID. Cognizance over strictly Naval cases has been retained by the DIO, who has also lent all available assistance to MID. Under a local agreement signed by the Military Governor, District Commandant, and the Special Agent in Charge, FBI, on March 27, 1942, there was reserved to the DIO authority over "All matters pertaining to espionage and sabotage, directed solely against such naval units or installations or fleet units, and all matters pertaining especially to Fleet and Naval Intelligence, both domestic and beyond the Hawaiian area," as well as cases involving personnel of ships tied up at territorial and privately-owned piers. (#)

(4) Federal Communications Commission

187. The Radio Intelligence Division of FCC maintains a Radio Security Center (Hawaiian Monitoring Area) in downtown Honolulu. This FCC activity has close liaison with MID, as well as with Army and Navy communications offices. Other investigative agencies, including the DIO, refer information concerning suspicious radio activity to FCC.

188. The FCC is actually a counter-espionage organization, for its duties include:

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- a/ Detection of violations of the Espionage Act, as far as it relates to the use of radio for subversive purposes.
- b/ Investigation of complaints and/or other information received alleging illegal and subversive radio activity.
- c/ Detection of violations of rules and regulations established by the Director of Censorship relating to the operation of radio stations.
- d/ Aiding other agencies of the Federal Government and representatives of the Allied Governments having an interest in operation of radio stations by espionage agents throughout the world as well as other related radio intelligence matters. (#)

(5) National Censorship

189. Functioning under the Director of Censorship, in Washington, the National Censorship organization has two main divisions in Hawaii, the Postal Censor and the Cable & Radio Censor. The primary mission of wartime censorship is to deny information to the enemy. Because of this, censorship is primarily a counter-espionage function.

(a) Postal Censor, District of Hawaii

190. Censorship of the mails leaving the Territory of Hawaii has existed since December 7, 1941. Such censorship is peripheral only, and does not extend to local or inter-island postal carriage.

191. MID, FBI, and the DIO maintain close liaison with the Postal Censor, who supplies those and other interested offices with comment sheets concerning postal intercepts deemed to have intelligence value.

192. Postal censorship is not operated under the authority of the Military Governor, nor is it affected by any of the delimitation agreements previously referred to.

(b) Cable & Radio Censor, Honolulu

193. Censorship of overseas radio-telephone calls, radio-grams, and cablegrams was invoked by the District Intelligence

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Officer on the morning of December 7, 1941. On March 1, 1942, he was relieved of this censorship function by the Cable & Radio Censor, Honolulu, who is responsible directly to the Director of Censorship, Washington.

194. The Cable & Radio Censor, Honolulu, has supervision over only those communications leaving the Hawaiian Islands through commercial facilities. Inter-island radio-telephone and wireless traffic is censored by a representative of the Department Signal Officer, Hawaiian Department.

(6) Collector of Customs, Honolulu

195. Inasmuch as certain of his work is concerned with the enforcement of statutes and executive orders whose purpose is to deny information to the enemy, the Collector of Customs must be included as a counter-espionage officer.

196. In this field, the Collector's principal wartime function is to enforce the Trading with the Enemy Act. He has the right to examine any cargo leaving the United States not under government control, and enforces the requirement that export declarations be filed concerning exports. He is also responsible for seeing that persons other than accredited United Nations couriers, entering the United States through the Hawaiian Islands, do not carry on their persons or in their effects censorable matter not previously passed by competent authority.

(D) INVESTIGATION PROCEDURE

(1) Prior to December 7, 1941

197. Prior to the outbreak of war, investigations within their respective spheres of authority were made by FBI, MID, and the DIO of Japanese, German, Italian, and Communist subjects. Whether the investigations were denominated "espionage" or "internal security" cases was of little import, for the manner in which either type of case was handled was generally the same. Most cases were opened on the basis of a "complaint" or specific report, alleging that a person was "acting suspiciously," was "pro-Nazi" or "pro-Japanese," had served in the Japanese Army, and the like. The investigative process normally would include some or all of the following steps:

- a/ Check files of FBI, MID, DIO, Honolulu Police Department, and credit agencies (in most cases).
- b/ Check files of Immigration & Naturalization

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Service or other Government agencies (in appropriate cases).

- c/ Interview or re-interview original informant.
- d/ Interview subject's employer, business associates, and neighbors.
- e/ Check bank accounts.
- f/ Consult confidential informants.
- g/ Surveillance (rarely).

The type of investigation indulged in was well suited for the purposes of internal security, that is, determining whether certain persons in wartime would likely be loyal to, or sympathize with the cause of, or give aid to, nations at war with the United States. It was not suitable for counter-espionage purposes.

198. In few instances was the espionage problem in Hawaii attacked from the functional standpoint. This was largely, but not entirely, the fault of the responsible local agencies. There was a serious shortage of trained personnel available for counter-espionage work. Inadequately staffed, in numbers, FBI was hard put to investigate all prospective custodial detainees. The DIO devoted a majority of its investigative time to investigation of Naval personnel cases, including applicants for the Naval Intelligence Service, and civilian employees of the Navy and Naval contractors. While there was full cooperation between FBI and the DIO, insofar as assisting one another upon request, there was not close coordination of their work in attacking the Japanese espionage system here.

199. In the several instances of functional approach to the Japanese espionage problem, FBI and the DIO generally worked jointly. Together, they maintained a partial surveillance of the activities of the Japanese Consulate General and the Nippon Yusen Kaisha (N.Y.K. Line), utilizing informants on the spot. FBI's investigation of the activities of the Italian Consul, in which the DIO assisted, was similarly conducted, with fruitful results. When the last Japanese "evacuation liner," the Taiyo Maru, was in Honolulu, November 1-5, 1941, FBI, the DIO, and Customs closely coordinated their efforts in effecting scrutiny of passengers returning to Hawaii from Japan, in searching persons leaving for Japan on the liner, and in maintaining a surveillance of the ship and activities on the nearby docks while the Taiyo Maru was in port. In furtherance of

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the purpose of this investigation, representations were made to the Postmaster General, in Washington, with the result that he ordered that no mail other than second class matter (newspapers, magazines, etc.) be put aboard the Taiyo Maru for carriage to Japan. (#)

(2) December 7, 1941, to March 27, 1942

200. Almost immediately upon the outbreak of war, the Contact Officer, MID, assumed general direction of intelligence work concerning the general civilian population, with FBI and DIO assisting. In this period, intelligence agents devoted almost all their time to the handling of internal security cases, apprehending persons who had been designated for custodial detention, conducting searches and interrogations, and investigating hundreds of specific complaints and rumors concerning alleged subversive activity.

201. A joint investigation of the past espionage activities of the Japanese Consulate General was instituted by MID, FBI, and the DIO (and still continues) in the hope of gaining some indication of what Japan's wartime espionage organization in Hawaii might be like and what personnel it might employ. (#) Information gained in this investigation aided the FBI in its investigation of Otto KUEHN, and established the latter's connection with the Consulate. The product of this joint investigation, added to the facts ascertained by the pre-war partial surveillance of the Consulate, illustrates the value of the functional approach to the espionage problem.

(3) Since March 27, 1942

202. After the signing of the local delimitation agreement on March 27, 1942, FBI ceased to investigate internal security and espionage cases as such, but continued to make available to MID and the DIO all information in its files or thereafter acquired. The DIO also ceased opening its own internal security cases in the general civilian field and opened about 2,000 security cases on persons of Japanese ancestry employed on Naval projects. DIO Zone Offices have continued to conduct internal security investigations when requested to do so by Army S-2 officers in their respective zones, to the extent of available time and personnel.

203. On the islands of Oahu, Hawaii, Maui, and Kauai, preliminary hearing boards, usually of three men (one each from MID, FBI, and DIO), hear nearly all cases where custodial detention of a person is considered. The function of the boards is to supplement investigations by interrogation, and

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to advise the appropriate Army authority whether a warrant of detention should issue. From time to time, in Honolulu, special investigating groups of MID, FBI, and DIO personnel are convened to interrogate persons likely to have important information concerning local Japanese subversive activity.

204. On three occasions, special investigative parties, composed of MID, FBI, and DIO representatives, generally totalling about 20 men, have flown to outside islands to aid resident intelligence personnel in conducting internal security investigations in large volume.

205. Cooperation of the three intelligence agencies in internal security work has been excellent. However, there has been virtually no effective work done in the field of counter-espionage. A small number of the cases investigated in this period (and since the war began) are entitled "espionage," but in few has there been anything other than an "internal security" approach to the problem. In nearly every instance, the emphasis has been on the personalities and their utterances, criminal and credit records, and probable nationalistic sympathies. There have been few cases approached in light of the functional bases of espionage.

(E) GENERAL CONSIDERATIONS

(1) Intelligence personnel

206. Much of the failure to cope with the espionage problem in Hawaii lies in the fact that sufficient trained personnel have not been assigned to this area. MID and DIO offices have grown greatly since December 7, 1941, without many additions of much needed trained counter-espionage agents. The number of trained FBI agents in Hawaii has been reduced during the war.

(2) Coordination

207. While there exists close coordination in the field of internal security cases, because the Army has complete responsibility therefor and either conducts itself or requests DIO Zone Offices to conduct such investigations, the same cannot be said of counter-espionage efforts. This is perhaps attributable to problems presented by the local delimitation agreement of March 27, 1942.

(3) Shoreline coverage

208. It is believed that no agency has been paying adequate

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attention to the coasts of the Hawaiian Islands, insofar as domestic intelligence coverage is concerned, nor is there known to be any plan for such coverage.

209. Insofar as this office has been advised, investigations of suspicious activities near or close off shore have been conducted by trained intelligence personnel in but a few cases. In some instances of reported suspicious activity, which activity might indicate that persons on shore were making contact with the enemy, the immediate investigation has been made by Army field personnel (sometimes working under the S-2 officer), but with no follow-up, detailed investigation by trained investigative personnel. (#)

210. The former Coastal Information Section (B-8) of the DIO functions under the Commander, Hawaiian Sea Frontier, and has been separated from the DIO since before the outbreak of war. What coastal intelligence work it has done has been confined to the operational or combat implications of happenings off shore.

(4) Travel control

211. Civilians entering and leaving the Territory of Hawaii have not been subject to careful scrutiny, interrogation, or search, nor required to identify themselves. Until only recently, almost any person not under surveillance could leave the Territory without the knowledge of the intelligence or law enforcement agencies.

212. Several months ago, the DIO established the Naval Travel Control Office under the Commerce and Travel Section (B-5). The Naval Travel Control Office processes all persons leaving the Territory by Pan American Airways clippers, excepting military and naval personnel of the United Nations travelling under official orders, diplomats in diplomatic status, and United Nations civilian officials travelling on official business. The function of the processing office is to make sure of the identity of every commercial air traveller, and to apprise interested official agencies of what individuals are leaving the Territory. It is estimated that 2½% of the persons whose passage has been validated by the Naval Travel Control Office were of more than nominal interest to the intelligence agencies.

213. It is anticipated that in the near future, the Military Governor of Hawaii will promulgate a general order establishing a similar travel control office whose function it will be to process all travellers leaving the Territory

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(save those exempt because of official status), whether passage is taken by air or surface.

214. In the past, several violations of censorship have been detected in situations where persons leaving the Territory have carried uncensored censorable matter (principally letters) on their persons or in their effects upon going aboard ships sailing from here. In the discovered cases, however, no indication of espionage activity has appeared, the violations involving personal motives only. (#)

215. That enemy couriers could with ease enter and leave these Islands, carrying vital information on their persons or in their effects (or, better still, in their minds), is apparent. It is anticipated, however, that when surface as well as air travellers are processed before leaving, the risks to couriers will be increased.

(5) Lack of coordination among domestic intelligence, combat intelligence, and operations activities

216. Before and during this war the flow of information has been almost entirely from the domestic intelligence agencies to combat intelligence and operations activities, with little flowing from the latter to domestic intelligence. While it is true that combat intelligence and operations offices have the primary interest in operational data and are vitally interested in the security thereof, it is not true that they have an exclusive interest in all such information. For example, the domestic intelligence agencies are, or should be, greatly concerned with all information indicating the presence of enemy units (particularly submarines) close off the Hawaiian Islands.

217. As previously stated, the presence of an enemy submarine close to shore, in an area and at a time inappropriate for combat action or reconnaissance, should be assumed to present a situation wherein the enemy is attempting to effect contact with agents on shore. The responsibility for destroying or repelling the enemy craft off shore lies with combat activities; the responsibility for detecting who are the enemy agents on shore lies with domestic intelligence. But, domestic intelligence will not know that there is a specific instance of possible enemy contact or signalling which it should investigate, unless the presence of enemy (or unidentified) units off shore is reported to it.

218. When there are operational movements in the Hawaiian

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area of such importance that enemy observers would be likely to report the same to the enemy-- such as the facts concerning arrivals and departures of Naval task forces-- the counter-espionage agencies should be made cognizant of such movements. Knowing what the enemy agents are likely to be interested in provides a clue as to when enemy communications may be made. The security of operations would not be endangered by providing counter-espionage agencies with this type of information, for it would be desired only in cases where an enemy agent on shore could by simple observation learn it himself. It is reasonable that such information should be given to the counter-espionage agencies, otherwise they will have to go to the absurd extreme of stationing their own observers to obtain in the same manner that enemy agents do the information concerning ship movements.

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VII. CONCLUSION

219. The criticism implicit in the foregoing analysis is inescapable. It is intended to be wholly constructive. The effect of the criticism is not directed against any one intelligence agency any more than any of the others. While there has been excellent cooperation among the agencies, coordination of plans and measures to deal with espionage in Hawaii has not been what it could have been.

220. Whereas this analysis is the result of studies made by one of the intelligence agencies, the District Intelligence Office (Counter Intelligence Section), and is believed to be based upon all available pertinent facts, it is felt that little, if any, progress can be made until the three principal agencies jointly approach the problem discussed herein. It would be highly desirable to have a small group of officers and agents-- possibly only one or two from each agency, who should be the best suited for the task involved-- appointed to study the question of espionage in Hawaii. Such a joint study should enable the representatives to make intelligent and comprehensive recommendations for the improvement of counter-espionage technique and procedure in this area.

221. Unless vigorous, astute and coordinated counter-espionage measures are placed in operation in Hawaii, the primary task of Counter-Intelligence-- denial of information to the enemy-- will never be performed.

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APPENDIX "A": Source Material

This appendix has been prepared chiefly for the benefit of readers in the Office of Naval Intelligence, who may wish to pursue further certain topics mentioned in the foregoing analysis. No attempt has been made to supply disseminates of this analysis with copies of all reports and other materials referred to below.

Immediately below are listed, as references, a number of investigation reports and other official correspondence which are cited in support of certain portions of the analysis. Following the list of references are explanations or citations of authority, arranged in the numerical order of paragraphs of the analysis.

References

- (a) DNI Conf. Ltr. A8-2/EN3-10, Serial 02525216, dated November 11, 1942, subject: Intelligence and Counter-Intelligence Activities.
- (b) ONI Counter-Intelligence Section (Op-16-B-7) Operating Plan, dated October, 1942.
- (c) 14ND Investigation Report, dated February 9, 1942, subject: JAPANESE CONSULATE, HONOLULU - Espionage Activities.
- (d) 14ND Investigation Report, dated February 14, 1942, same subject.
- (e) 14ND Investigation Report, dated June 15, 1942, same subject.
- (f) 14ND Investigation Report, dated November 7, 1942, same subject.
- (g) 14ND Investigation Report, dated February 15, 1943, same subject.
- (h) 14ND Investigation Report, dated November 6, 1941, subject: JAPANESE EVACUATION SHIPS.
- (i) 14ND Investigation Report, dated November 15, 1941, same subject.
- (j) 14ND Investigation Report, dated November 25, 1941, same subject.
- (k) 14ND Investigation Report, dated February 1, 1942, subject: Ernest Shigeru MATSUSAKA.

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- (l) 14ND Summary Report, dated April 30, 1942, same subject.
- (m) 13ND Investigation Report, dated May 1, 1941, subject: Lt. Comdr. Sadatomo OKADA, IJN.
- (n) 12ND Investigation Report, dated July 17, 1941, same subject.
- (o) 14ND Investigation Report, dated August 6, 1942, subject: Oliver Albert KIRKEBY.
- (p) 14ND Investigation Report, dated July 30, 1942, subject: Giichiro UYENO.
- (q) DNI Conf. Memo., dated October 1, 1942, subject: GERMAN SABOTAGE AGENTS.
- (r) 14ND Investigation Report, dated February 15, 1943, subject: Richard Masayuki KOTOSHIRODO.
- (s) 14ND Investigation Report, dated February 6, 1942, subject: Yoshiye MIKAMI, alias John MIKAMI.
- (t) DNI Secret Memo., Serial 02304616, dated November 3, 1942, subject: JAPANESE ESPIONAGE ACTIVITIES.
- (u) 14ND Investigation Report, dated July 13, 1942, subject: Rev. Unji HIRAYAMA.
- (v) 14ND Investigation Report, dated May 2, 1942, subject: Otto Carl Ferdinand JAENTISCH.
- (w) 12ND Investigation Report, dated May 30, 1942, same subject.
- (x) 14ND Investigation Report, dated June 11, 1942, same subject.
- (y) 12ND Information Card, dated June 19, 1942, same subject.
- (z) 14ND Investigation Report, dated December 24, 1942, subject: Louie SLATON.
- (aa) 5ND Investigation Report, dated May 19, 1942, subject: Espionago, Visable Shore Signals and Enemy Radio Activity.
- (bb) DNI Conf. Memo., Serial 01398716, to DIO-8ND (copies to DIOs-10-11-12-13-14-15 NDs), dated June 3, 1942, subject: Flashing Lights and Suspected Signals Along the Coast - Investigation of.

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- (cc) 11ND Investigation Report, dated October 8, 1941, subject: Itaru TACHIBANA.
- (dd) 14ND Investigation Report, dated December 1, 1942, subject: Visits of Japanese Public Vessels to the Island of Oahu.

Documentation by Paragraphs

Foreword

-- All quotations are from reference (b), Pars. 1215-1216 and 1003.

Par. 19

-- Reference (e); Reference (g); Reference (r); Reference (s), pp. 2-5.

Reference (dd).

The panoramic photograph of Pearl Harbor and ships therein was taken by E. J. PARISH, Honolulu photographer, about 1937. An almost identical photograph, taken by PARISH in 1938, is contained in the files of this office. In 1937 or 1938, before offering such photographs for sale to the public, PARISH called at the District Intelligence Office to obtain official permission for sale. At that time, PARISH was told that while the Navy objected to the sale of such pictures, there was no law prohibiting such publication.

Pars. 24-25

-- Reference (c) presents a case in point, illustrating how a Navy enlisted man was first "pumped" for Naval information, then developed as a source of "inside" information, for which he was paid in "loans". KIRKBY's offenses were committed in 1936-1937, and he was met by Japanese espionage agents both in San Francisco and in Los Angeles.

Par. 32

-- For examples of the type of information reported by the Consulate to Japan in 1941 by cable and wireless, see reference (d).

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- Par. 42 a/ -- The Consulate signalling system referred to is set forth in Reference (c), Par. 4.
- Pars. 45-46 -- A preliminary report of the UYENO case, containing only the details of the shooting but nothing concerning UYENO's possible motives, was received from the Army Contact Office (M.I.D.), Honolulu, shortly after the incident. The investigating agent recommended further investigation, but a check of the files of the Army Contact Office on February 15, 1943, revealed no further reports, and at that time a representative of the District Intelligence Officer was informed that the case was closed. UYENO is subject of reference (p).
- Par. 47 -- Informant who furnished the information in the two indented paragraphs is given reliability "A" by this office. His report was not rendered until four months after the events reported. A copy of informant's report was forwarded to the Army Contact Office, which returned to the District Intelligence Officer the following comment from another Army activity (not naming it):
- "...As to a man swimming ashore and the finding of prints in the sand, there is no record on this...
 "It is very improbable that the events described in this report could have happened without being recorded at this Headquarters."
- Par. 51 -- Reference (q) reports the landing and capture of eight Nazi saboteurs in the United States, 1942.
- Par. 52 -- Investigation by the Army Contact Office (M.I.D.) of former Japanese sampan fishermen in Hawaii has revealed that many of the fishermen entered the United States illegally and are extremely pro-Japanese, but has produced as yet no specific evidence of espionage activity by such fishermen.
- Par. 60 -- See article on frequency modulation: "This New FM", Naval Institute Proceedings, February, 1942.
- Par. 63 -- The suspicious radio message was intercepted as follows:

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RAUMIG HINDERUST SINDEN ZURCH REMSCHIED
REMSCHIE OWES ZAE MERE MSCHIE ID -----
DECK SEDWIG CGER DECK ORENE EL ZEIME
MEIZEN HAFNO ANN EDLMANN ISAR ISAR SETZE
UME IN MEUWEG SIEDEN IN GELS

Source of above information was Combat Intelligence, 14ND, who reported: "This transmitted Sunday A.M. /December 7, 1941/. Apparently local station to local station. Received from Army." A very free translation of understandable parts of the message was also submitted by Combat Intelligence:

"Extensive areas have been completely razed .
. . . Oriental Edlmann /proper name/ . . .
. Set oil and machinery fires one after another in
which many were killed."

Par. 64

- FCC writer referred to is Mr. Lee R. Dawson, supervisor, Hawaiian Monitoring Area. Quotations are from Mr. Dawson's letter of January 10, 1942, to Chief of National Defense Operations Section, FCC, subject: Additional Secondary Monitoring Units Needed in the Hawaiian Area. (Copies of this letter were indicated for Commandant, Fourteenth Naval District, and Commanding General, Hawaiian Department.)

Quotation of the Director of the FBI, Mr. J. Edgar Hoover, is from his letter of January 16, 1942, to Hon. James Lawrence Fly, chairman of FCC. (Copies of this letter were sent to G-2, War Department, and ONI, Navy Department.)

Par. 78

- The Japanese are known to be using couriers among officers and seamen of merchant vessels plying between United States and South American ports: reference (t).

Par. 81

- Reference is to Tamotsu MATSUMURA, interned alien Japanese, who was at one time a paid informant of this office. Before coming to Hawaii prior to the first World War, MATSUMURA was in the Japanese overseas colonization service, being a civil secretary to the governor-general of Formosa. He admits having transmitted information of strategic value, concerning Hawaii, to Japan prior to 1914. In recent years, especially 1937-1940, he was a leading propagandist for Japan in Hawaii.

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- Par. 83 -- This appears from the admissions of Richard Masayuki KOTOSHIRODO, formerly a clerk at the local Consulate, who visited the islands of Maui, Kauai, and Hawaii in 1941 on espionage missions for the Consulate: reference (g).
- Par. 84 -- See enclosure (A) of reference (d).
- Par. 86 -- From KOTOSHIRODO's admissions: reference (g).
- Par. 88 -- Buddhist priest referred to is subject of reference (u).
- Par. 90 -- Propagandists referred to are Frank VON HEILAND and Rev. Paul Junichiro TAJIMA. Paid informants of the Consulate, among them some Koreans, are discussed in reference (g).
- Par. 91 -- Japanese agent who was in Hawaii in 1932 was Rinzo SHIMURA, mentioned in references (k) and (l), and Japanese bookstore owner was Ernest Shigeru MATSUSAKA, subject of those reports.
- Par. 92 -- OKADA is the subject of references (m) and (n).
- Par. 93 -- The Consulate clerk referred to is KOTOSHIRODO.
- Par. 94 -- For a detailed description of the information gathered by MATSUSAKA and transmitted to Japan, see enclosures to reference (k).
- The alien on Aiea Heights is Shigeichi TAKAFUJI. A report of the activities of personnel of Japanese Naval vessels while visiting Hawaii before the war is contained in reference (dd).
- Par. 95 -- Report concerning information gathered by TACHIBANA is contained in reference (cc).
- Par. 98 -- When KOTOSHIRODO and Consulate Secretary Tadashi MORIMURA made observation trips to the outside islands of the Hawaiian group in 1941, they carried with them only the innocuous-looking Hawaii Tourist Bureau cartographic maps. According to Consulate clerks interviewed, the maps and charts used by the Vice Consul in his office were standard U. S. Hydrographic Office and Coast & Geodetic Survey publications.

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- Par. 99 --- The photographing incident was referred immediately to FBI, Honolulu, but no report of FBI's investigation of this case was written. The driver of the car which carried the seven Japanese has not been interned, but is serving a prison term for violation of a general order of the Military Governor regulating the amount of currency an individual may carry on his person.
- Pars. 101-102 --- KOTOSHIRODO related the information reported in these paragraphs: see reference (g).
- Par. 105 --- See references (c) and (d).
- Par. 106 --- Army Contact Office, Honolulu, for some time past has been investigating all local Japanese known to have operated radio transmitters in Hawaii prior to the war. To date, the DIO has not been informed of any operator who has been found to have used his transmitter for subversive purposes.
- Par. 123 --- Consulate clerk referred to is KOTOSHIRODO.
- Par. 129 --- Japanese aliens still live on Aiea Heights and on Pearl City Peninsula (which juts into Pearl Harbor to a point only several hundred yards across open water from a carrier berth).
- Par. 149 --- While considerable amounts of "Hawaiian currency" have turned up in Mainland banks, it is believed that such currency could not be purchased from those banks because of prevailing legal restrictions.
- Par. 152 --- First sentence: source secret, but known to ONI. In this connection, it is interesting to note that the Central Executive Committee of the Kuomintang (Overseas Department) is currently using regular short-wave broadcasts from China for the transmission of instructions in code to Kuomintang representatives in the United States. (See Postal Censorship Records No. SF-8991.)
- Par. 154 --- First quoted clause is from reference (b), Par. 1005; second is from ONI-T-8-10, Sec. 21203 (2).
- Par. 156 --- The distinction between the maintenance of internal security and the countering of enemy espionage seems to have been kept clearly in mind in a recent War Department pub-

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S-E-C-R-E-T

APPENDIX 'A'

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lication: War Department Counter Fifth Column Plan (1942 Revision), promulgated November 2, 1942. Therein, the task of countering the Potential Fifth Column is essentially the task referred to in the foregoing Analysis as the maintenance of internal security in Hawaii. While the Counter Fifth Column plan seems not deemed to be applicable to Hawaii (for the Hawaiian Department commander is not on the distribution list), it is significant that the Plan and its study and improvement are the responsibility of the Provost Marshal General, and not of the Military Intelligence Service. This is a clear recognition of the fact that Counter Fifth Column planning is a police, rather than a counter-espionage function.

Quotation is from "A War-Time Problem, THE JAPANESE IN HAWAII, 'An Analysis", page 1, by Lt. Comdr. C. H. Coggins, MC, USN, District Intelligence Office, Fourteenth Naval District (April, 1942).

Par. 159

-- "War cannot be waged without all kinds of information about the forces and the intentions of the enemy, and about the character of the country within the zone of military operations. To obtain the necessary information, it has always been considered lawful to employ spies, and also to make use of the treason of enemy soldiers or private enemy subjects, whether they were bribed, or offered the information voluntarily and gratuitously. Article 24 of the Hague Regulations enacted the old customary rule that the employment of methods necessary to obtain information about the enemy and the country is considered allowable. The fact, however, that these methods are lawful on the part of the belligerent who employs them does not protect from punishment such individuals as are engaged in procuring information. Although a belligerent acts lawfully in employing spies and traitors, the other belligerent, who punishes them, likewise acts lawfully..." Oppenheim, INTERNATIONAL LAW, (5th ed., 1935), Vol. II, Sec. 159, p. 337.

Par. 162

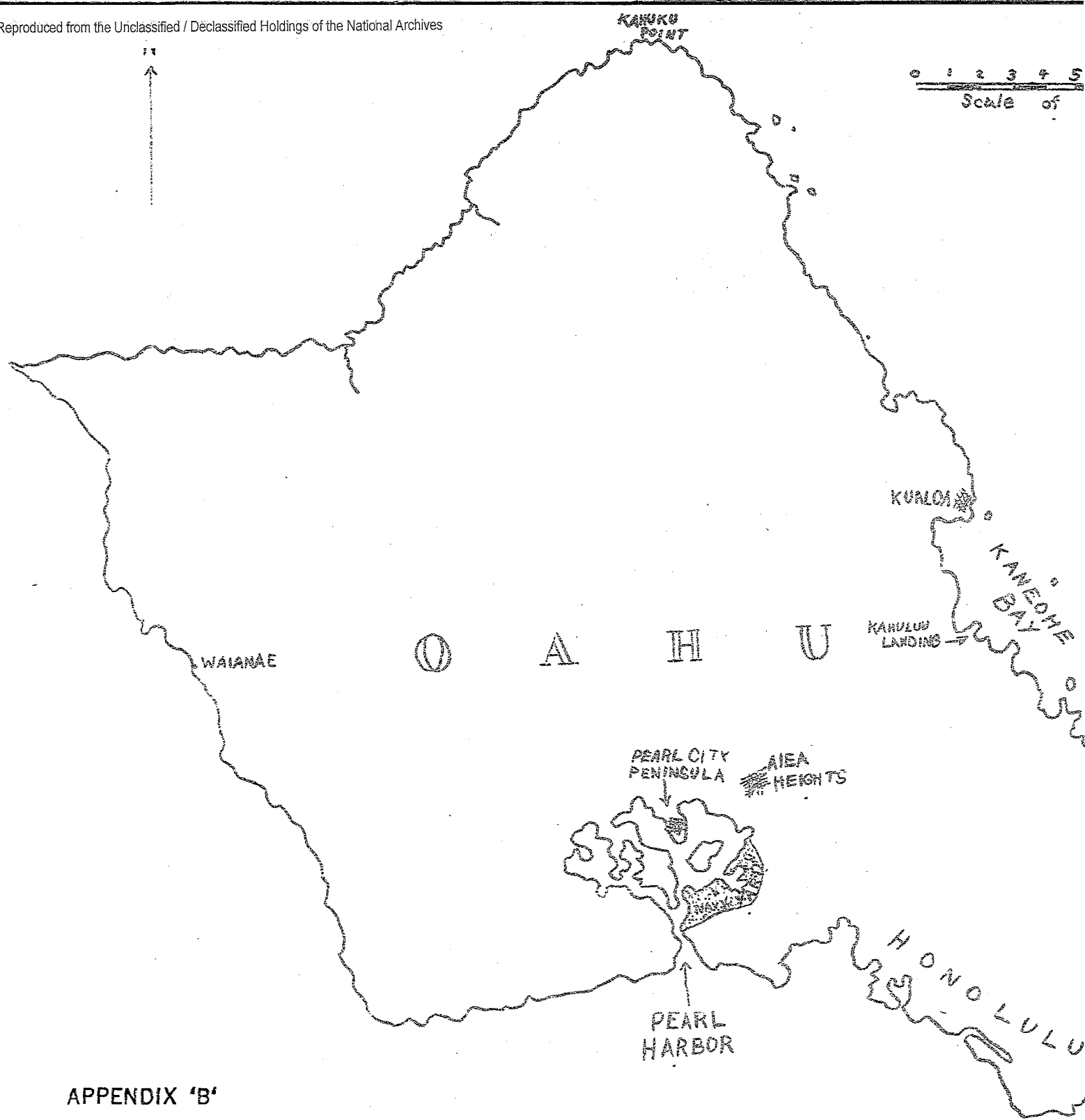
-- Quotation is from ONI-T-8-10, Sec. 23201.

Par. 168

-- While there is no positive evidence of the fact, it appears that several false reports concerning alleged Japanese espionage in Hawaii were given to the U. S. Naval Attache, at Mexico City, in early 1941. Each report con-

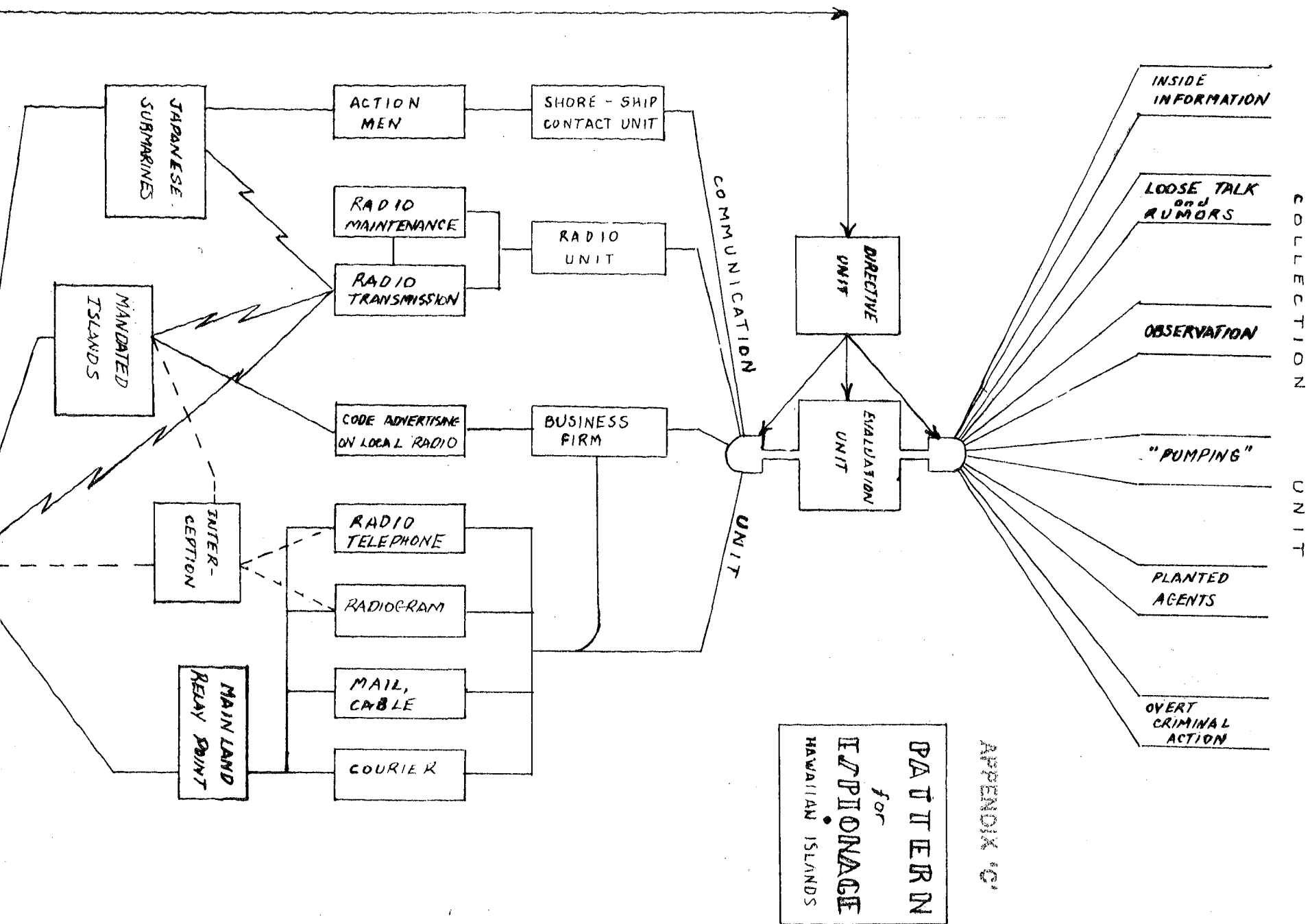
tained some important known facts, around which apparently were spun many false statements. While ONI gave the reports very low reliability rating, the reports were of such a serious nature as to require investigation.

- Par. 176 -- Delimitation Agreement of June 5, 1940, entered into by FBI, MID, and ONI, governed the respective spheres of responsibility of the three agencies in Hawaii until the outbreak of war.
- Par. 186 -- Copy of local agreement of March 27, 1942, was sent to ONI as enclosure to DIO-14ND (IPM/w) Conf. Ltr. (Personal) to Rear Admiral T. S. Wilkinson, USN, dated June 20, 1942.
- Par. 188 -- Statement of FCC duties taken verbatim from memorandum of E. K. Jett, Chief Engineer, FCC; to all offices of the FCC Radio Intelligence Division, dated June 3, 1942, subject: Jurisdiction of the Radio Intelligence Division.
- Par. 199 -- Reports on Japanese "evacuation liners": see references (h), (i), and (j).
- Par. 201 -- Reports of the joint investigation of the Japanese Consulate: see references (c), (d), (e), (f), and (g).
- Par. 209 -- Reference (aa) sets forth the manner in which coordinated shoreline coverage by plane, surface craft, in automobiles, and on foot was effected on the North Carolina coast. This procedure could well serve the same purpose in the Hawaiian Islands. Reference (bb) indicates the interest and approval of ONI in that procedure.
- Par. 214 -- In one case, a merchant marine captain cabled his wife, "Happy birthday", to indicate the fact that his vessel was about to sail from Honolulu: references (v), (w), (x), and (y). In another case, the second officer of a cargo vessel used a simple code in ordinary correspondence to reveal movements of his ship prior to sailing: reference (z).



APPENDIX 'B'

APPENDIX 'B'



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SECRET

SELECTIVE SERVICE

SECRET

19 June 45

On April 23, 1945, 97 American-born Japanese residents of the Colorado River Relocation Center, Poston, Arizona, who had previously been indicted by the Federal Grand Jury at Tucson, Arizona for violating the provisions of the Selective Training and Service Act, were arraigned before U. S. District Judge Dave W. Ling at Phoenix, Arizona. All the defendants entered pleas of not guilty and the cases went to trial on a stipulation of facts. The only defense interposed by A. L. Wirin, counsel for the defendants, was that the Selective Service system was without jurisdiction to direct the induction of the defendants. The matter was taken under advisement by the court and no decision has yet been reached. It is said that the court feels instant defendants could more properly be handled by permitting them to expatriate themselves and thereafter be interned as alien enemies rather than sentence them to serve in a Federal prison.

The Western Defense Command reportedly announced on April 17, 1945, the withdrawal of segregation orders requiring subjects of Selective Service cases residing in relocation centers to remain in the centers at all times. Therefore, it is said that a Japanese-American, although refusing to report for induction, may now travel any place in the United States, with the exception of some specified areas on the West Coast.

Source: Secret FBI General Intelligence Survey in the U.S. dated May 1945, filed in CNO file room (Admiral's copy).

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19 June 1945

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NO. AMERICA

18 June 45

Section C

RACIAL MINORITY GROUPS

Japanese

Individual acts of violence upon Japanese returning from relocation centers to the West Coast are increasing. Homes have been burned. Some white organizations openly advocate hatred. One group proposes that all persons of Japanese ancestry be expelled from the United States. Part of this feeling stems from racial hatred. Part of it comes from whites who do not want to resume business competition with returning Japanese.

Generally, West Coast minority groups favor return of the Japanese. They feel that any discrimination against the Japanese will lead to discrimination against themselves. Communist influence appears here as it does in every minority movement. For example, leaders of the Japanese Council for Civic Unity include a former head of the CIO Minorities Committee who is an alleged CPA member, a former Office of War Information employee and a former War Relocation Authority employee, all white.

As Japanese continue to depart from relocation centers it does not appear that they will meet any resistance other than that expressed by individuals or small groups. One reason is that they are not yet returning to the West Coast in large numbers. They are settling in other cities in other states, principally Illinois (Chicago once had 300 Japanese and now has 7,234), Ohio, Colorado, Michigan, Idaho, Minnesota, and New York. The 31,121 Japanese who have left relocation centers are now located as follows:

California	859	Minnesota	1,711
Colorado	2,847	Missouri	633
Idaho	1,523	Ohio	2,657
Illinois	8,279	New York	1,367
Michigan	1,847	Wisconsin	595

Other States 8,803

The problems of relocated Japanese can be handled by local civil authorities unless the unlikely need for martial law arises. When the Japanese war ends and hatreds become less active there will be attempts by such organizations as the Civil Liberties Union to reclaim property or to sue the government for damages but these will result in legal action only.

In the Army, Nisei, Americans of Japanese ancestry, have been so controlled that they are not a problem. They have been screened carefully and assigned duties according to their loyalties and abilities. Those who are subversive have been handled through a War Department Special Organization, administered by the Intelligence Division, Army Service Forces, and have been restricted to non-sensitive duties.

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Section G

ESPIONAGE

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Japanese

Prior to 7 December 1941 the Japanese intelligence organization in the United States was built around the Japanese diplomatic establishment. The Japanese considered it ethical to use diplomatic privileges and diplomatic immunity as a cover for espionage. They concentrated more on analysis and synthesis for published information rather than collection of concealed information. For example, the Japanese Embassy in Washington daily received as high as seven mail sacks containing American publications, including obscure technical journals.

When the Japanese diplomatic establishment was discontinued at the outbreak of war, Japan lost the core of its intelligence system here. Since that time, insofar as government information indicates, they have not been able to establish an effective system. There have been a few known efforts at espionage by Japanese agents. Frequently an appearance of successful Japanese espionage has been created when Japanese radio monitors have intercepted American press messages and broadcast them before publication in this country.

Recently, the European headquarters of the Japanese moved from Lisbon, Portugal to Stockholm, Sweden. The reason is obscure. However, United States government agencies have no knowledge of any effort having been made by the Japanese in Lisbon or any other point to contact Japanese in the United States. Inasmuch as the Japanese have not operated any known intelligence system successfully in the United States after three and one-half years of warfare (ample time for such activity to be detected) it is not believed that they are likely to make any successful effort in the future.

Source: Excerpts from Army Service Forces (Col. Roamer) Secret report, dated 18 June 1945, subject: Estimate of the Domestic Intelligence Situation. Routed to A-3-c for Finish File, (Originator's file no. SPINT).

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