

NAVY DEPARTMENT
Office of Naval Intelligence
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Subject: JAPANESE INTELLIGENCE AND PROPAGANDA IN THE UNITED STATES
DURING 1941.

Note : Prepared by the Counter Subversion Section, Office of Naval
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INTRODUCTION

The Kurusu mission to Washington represents the culmination of a year of intense activity which has streamlined Japanese espionage patterns, conditioned programs of sabotage and determined the character and extent of their propaganda launched throughout this hemisphere.

As Ambassador to Berlin, Kurusu signed the Tripartite Pact of September 1940, but it is said that he did so with no great enthusiasm. A top-flight diplomat, he has also been Japanese Consul in New York, Chicago, and Honolulu, as well as Consul General in Manila. In 1929 he was Minister to Chile and for seven years thereafter served in Tokyo as a director of the Commercial Bureau of the Foreign Office.

METHODS of Operation and Points of Attack

With tension growing between the United States and Japan, the Japanese Government decided its system for securing information was inadequate to meet a situation involving war. As early as February, 1941 and coincident with the arrival of the new ambassador Admiral Kichisaburo Nomura, diplomatic and consular representatives were instructed to reorganize and strengthen the intelligence network in this country and to relax the former policy of "cultural propaganda and enlightenment".

Designed to continue in operation, even in the event diplomatic and commercial relations between the two countries were severed, an intelligence machine geared for war was put into operation. As a preliminary measure, Japanese representatives in the United States were instructed to maintain constant watch over American politics, as well as over the economic and social activities of representatives of the U.S.S.R. in this country, particularly as they affect Latin America. For this work, the Japanese planned not only to hire Americans but also to send competent "researchers" from Japan. A decision was also made

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to spread as much political propaganda as possible throughout the United States by means of personal contacts with members of the press and persons influential in American politics and business.

The focal point of the Japanese Espionage effort is the determination of the total strength of the United States. In anticipation of possible open conflict with this country, Japan is vigorously utilizing every available agency to secure military, naval and commercial information, paying particular attention to the West Coast, the Panama Canal and the Territory of Hawaii. To this end, surveys are being made of persons and organizations opposing U. S. intervention in the present European War, and close attention is being paid to all anti-Jewish, Communist, Negro and Labor Movements.

Although not yet fully developed, this new Espionage organization is characterized by a high degree of decentralization. The activity of the Military and Naval section, which is divided into a number of different groups, is supplemented by the work of independent agents, and the general pattern includes individuals, small groups and commercial organizations functioning separately and energetically. In the background lies the Imperial Japanese Government exercising direct control over individuals and organizations through the Embassy and the Consulates.

The new program envisages the use of citizens of foreign extraction, aliens, communists, negroes, labor union members, anti-semites, and individuals having access to Government departments, experimental laboratories, factories, transportation facilities, and governmental organizations of various kinds. Nisei (second generation) Japanese and alien Japanese residents have not been overlooked. Realizing, however, that its nationals in this country would be subject to prosecution "in the event of a slip," the Japanese Government has advised extreme caution in their employment.

In the event of open hostilities, Mexico will probably be the Japanese Intelligence nerve center in the Western Hemisphere, and in anticipation of war, U. S. - Mexican Intelligence routes are being established. This network, covering Argentina, Brazil, Chile, Peru and the Central American countries, will come together in Mexico City, and Japanese co-operation with the German and Italian Intelligence organizations is expected. Such co-operation has been discussed in Tokyo with representatives of the Axis powers and the plan is said to have been approved by them.

At the present time, the District of Columbia, New York City, New Orleans, Los Angeles, San Francisco and Seattle are the espionage centers in the United States with Mexicali, Baja California and Vancouver, British Columbia important boundary outposts.

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GERMAN--JAPANESE COLLABORATION

As an incident of the treaty with the Axis powers, all possible avenues by which mutual benefit could be achieved began to be explored. Instructions were sent to all diplomatic and consular missions to maintain close contact with officials of Germany and Italy for purposes of exchanging information and to encourage friendships between citizens of the three nations who were living abroad.

A recent investigation conducted in New York City disclosed that Takeo Ezima and Kanegoro Koike, Japanese Naval Officers attached to the Naval Inspector's Office, were co-operating with German espionage agents by accepting confidential data for transmittal to Germany by way of Japan.

On October 19, 1940, instructions were issued from Germany by short-wave radio for a German agent in the United States to contact E. Sato at the NIPPON CLUB in New York City. He made unsuccessful attempts to comply with these instructions until October 31, 1940 when another radio message was received from Germany directing that these efforts be discontinued.

Germany radioed again on May 18, 1941 asking whether its agent in the United States, was prepared to turn over material, inscribed "Sato from Staemer", on May 22, 1941, to E. Sato in the Miyako Restaurant, 20 East 56th Street, New York City. The message also indicated that further meetings should be agreed upon and that this method of transmitting material was safe.

Shortly thereafter, two German agents in the United States complied with these instructions and established contact with an individual who gave his name as Kato. After identifying themselves, they were taken by him to a Japanese restaurant at 41 East 19th Street, New York City, where they occupied a private room. Kato there identified himself as Lt. Commander Takeo Ezima, I.J.N. and took from them a number of items for transmittal to Germany by way of Japan. These items consisted of information developed through the activities of the German Espionage system in the United States, some of which had been microfilmed. However, the original physical articles such as ammunition, a drawing of a hydraulic unit with pressure switch A-5 of the Sperry Gyroscope and an original drawing from the Lawrence Engineering and Research Corporation of a soundproofing installation were also turned over to Ezima on this occasion.

Immediately following a meeting on June 24, 1941, when Ezima received a number of microphotographs of material obtained by German espionage agents, he contacted Kanegoro Koike, Paymaster Commander of the Japanese Imperial Navy, assigned to the Office of the Japanese Naval Inspector in New York City. At the request of the State Department, Ezima was not prosecuted. However, he sailed for Japan on July 5, 1941, and Kanegoro Koike followed on August 14, 1941.

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Reports from the middle west indicate that German and Japanese nationals are carrying on espionage activities through their control of re-insurance companies who underwrite insurance carried by National Defense industries. Although they appear to be owned and operated by Americans, the largest re-insurance companies in the world are German owned.

In the summer of this year, the German Consul Fritz Wiedemann was said to have been considerably perturbed because Japanese steamship lines were not co-operating with him in evacuating German nationals from the United States. He was particularly incensed over the refusal of the NYK Steamship Company to grant accommodations to Karl Anton Bayer and claimed that the failure of the Japanese Consul General to override the Captain of the boat gave the Germans grounds for suspicion that the Japanese were working against them. Additional reports of friction were received from Shanghai where it was stated that the Japanese were generally hated by the Germans. However, German war vessels are known to have been overhauled in the ports of Nagasaki and Kobe and there has been a certain amount of trade in metals between the Germans living in Mexico and Japan.

German-Japanese conferences were scheduled to take place in Havana early in September, and it was reported that they would be attended by such important Germans as Wiedemann, Vonspiegel and Arthur Dietrich.

RELATIONS WITH THE NEGROES

As early as May 1941, the Office of Naval Intelligence became aware that the Japanese Government was establishing connections with influential Negroes in this country for the purpose of studying the negro movement. A short time later it became apparent that representatives of the Japanese Government in the United States were attempting to organize the Negroes for the purpose of retarding National Defense efforts and to commit sabotage. In furtherance of this project, the Japanese expect to take advantage of the political strength of such organizations as the NEGRO CONGRESS, THE NEGRO ALLIANCE, and the NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE.

The Japanese decision to utilize this minority group for their own advantage was first manifest in the latter part of 1940 when the government in Tokyo financed the opening of a news service for negro newspapers by a negro literary critic named Utley. According to reliable reports, Utley has had relatively good results in stimulating subversive activities among the negroes.

A Japanese by the name of Hikida (probably K. Hikida of 257 W. 85th Street, New York City) is the most intimate contact with negro groups and their leaders. Reported to be a well-to-do research worker and writer, he led a round-table discussion on the Negro problem in the office of the

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Japanese Naval Inspector in New York City in December 1938. Since then, he is reported to have received grants of money from the Consul General in New York City to carry on propaganda among the Negroes in an effort to organize them.

The District of Columbia is the focal point of this particular branch of the Japanese Espionage system because nearly all Negro organizations have their headquarters in this city. However, Hikida's organization in New York will receive strong support for the purpose of encouraging its rapid expansion, and when organizations in both cities are working satisfactorily, attention will be turned to Chicago, Los Angeles, and New Orleans.

Japanese authorities are watching closely the Negroes who are employed in defense production plants, naval stations, and other military establishments, particularly in the naval bases at Norfolk, Va., Philadelphia, Pa., and Brooklyn, N.Y. They plan to organize skilled and unskilled workmen in these cities to secure military and naval information for the Japanese Government.

In the summer of 1941, a closer association between young Japanese and young Negroes in the San Francisco Bay area was observed. Meetings have been held at the Mikado Grill, 1699 Post Street, San Francisco, Calif. but no definite connections between these mixed groups and Japanese Government representatives have been established. Such mixed parties are known to have gone to Oakland, Calif., to attend meetings of the Nisei Young Democratic Club.

In propagandizing the Negroes, the Japanese are utilizing the services of J. H. Smythe and Walker Matteson. Because of his success in arousing negro opinion, Smythe has been put in charge of the column "Behind the Headlines" for negro publications and both men will be used for editorializing.

FALANGE

Suppression of Axis organizations has caused a shift of totalitarian support to nationalist Latin American groups and these are employed to create unrest with the ultimate object of destroying Pan-American solidarity.

For years it has been a well established fact that Nazi, Fascist, and Falange agents are co-operating extensively in their espionage activities, and it now appears that the Japanese as well as the Germans and Italians are making increasing use of members of Falange organizations because of the limitations on their own connections and activities throughout the Americas.

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