

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

(SC)A8-5/EF37
Op-16-B-7
SECRET
Serial 02304616

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MEMORANDUM

From: The Director of Naval Intelligence
To : All District Intelligence Officers (less 16ND)
SUBJECT: Japanese Espionage Activities.

1. At present Japanese espionage activities in the Western Hemisphere are directed from Buenos Aires, with a secondary headquarters in Santiago, Chile. Any change of status of the Chilean government toward cooperation with the United States and other United Nations will undoubtedly result in curtailment of Japanese activities in Chile and transference of work being done in that nation entirely into the Buenos Aires headquarters. It is believed the Japanese espionage organization has prepared its plan for such a shift and centralization.

2. Transfer of headquarters activities to Buenos Aires does not necessarily mean cessation of Japanese espionage work against the United States in Chile. It is believed arrangements have been completed for espionage networks in Chile to communicate directly and promptly to the Japanese Legation in Buenos Aires.

3. It has been learned that the Japanese have established funds in Chile for payment of espionage agents and couriers who are employed on Chilean vessels in regular trade with the United States. The plan contemplates using both officers and seamen of vessels plying between Chilean and United States ports.

4. It also has been learned that the Japanese have made arrangements with certain Chilean and Argentine business and professional men whose interest would normally require trips into and through the United States to obtain information of strategic value.

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5. It is believed that certain Spanish diplomatic and consular officers in the United States are providing the Japanese with information.

6. There also are indications that certain French diplomatic and consular officers and employees are likewise engaged, although to a lesser degree.

7. It is known that Compania Sud Americana de Vapores, popularly called the Chilean Line, is controlled by officers, directors and executives who are favorably inclined toward the Axis Powers and Japan. Representatives of the German, Italian and Japanese Legations in Santiago met at the home of Senator Maximano Errazuriz, one of the principal directors of the Line, with executive officers of the Line and certain prominent Chilean political and industrial leaders in June. The meeting took place shortly after the German Government announced its "new" submarine policy. Errazuriz is known to be an ardent admirer of Japanese policy and culture and a frequent visitor at the Japanese Legation. He is president of the Chilean-Japanese Institution. The Chilean Line has represented the Nippon Yusen Kaisha in the past, and it is believed there may be a financial agreement between the two lines.

8. Vessels operated by the CSAdeV are MV-ACONCAGUA, MV-COPIAPO, MV-IMPERIAL, SS-CHOAPA, SS-CACHAPOAL, SS-MAULE, SS-HUEMUL, SS-ELQUL, SS-AISEN, SS-MAPOCHO, SS-FEDERICO SCHWAGER, and the SS-RAPEL. Other vessels may be added by subsequent charter.

9. At present the Chilean Line uses New Orleans as its United States port of call, except when vessels of the line are operated for benefit of the United States under agreement with the War Shipping Administration. When operating under the latter agreement the crew members are provided by the CSAdeV and both vessels and crew should be accorded the required Commerce and Travel Control as under purely neutral commercial operation. There is the possibility that the Chilean Line or other Chilean vessels may use routes to United States West Coast ports.

10. Japanese espionage activities on the West Coast of South America includes sub-centers in Peru, Ecuador, and Colombia. There is no doubt but that these centers collaborate with the Chilean center and at the same time directly with Japan in accordance with Japanese practice. Vessels of the CSAdeV

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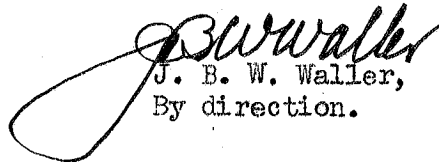
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call at Peruvian, Ecuadorean, and Colombian ports.

11. In view of the Good Neighbor policy it is necessary that Counter Intelligence Operations against individuals and organizations of South American origin be performed discreetly. At the same time National Security demands that every effort be made to thwart the abuse of our policy for the benefit of enemies of the United States.

12. The urgency of delivery of this document is such that it will not reach the addressees in time by the next available officer courier. The originator therefore authorizes the transmission of this document by registered mail within the continental limits of the United States.

13. It is hereby certified that the originator considers it impracticable to phrase this document in such a manner as will permit a classification other than secret.


J. B. W. Waller,
By direction.

cc: U.S. Naval Attache, Rio de Janeiro, Brazil
U.S. Naval Attache, Buenos Aires, Argentina
U.S. Naval Attache, Santiago, Chile
U.S. Naval Attache, Lima, Peru
U.S. Naval Attache, Quito, Ecuador

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