The number of Japanese either born or educated in the United States, who (according to them) "just happened" to be caught in the Far East at the outbreak of war is amazing, according to source. These American-born or educated Japanese were in the Gendarmerie, Naval Landing Party, Army Headquarters, Press Bureau, and in all Boards set up under the Military Authorities in Shanghai. These men played a very big part in taking over the city and all "enemy national" industrial, commercial and personal property. In fact, it is difficult to conceive how the Japanese could have accomplished the job without them, source believes.

These Japanese did not "just happen" to be in the Orient, despite their naive statements to that effect. In view of the fact that they so frequently stated: "I just happened to be caught here at the outbreak of hostilities" lead source to believe that they were all schooled or instructed to make this statement which in many cases was unsolicited.

Source suggests that a list compiled by the Department of Immigration, of the Japanese who left the United States during the period of six months or possibly a year prior to December 8, 1941, would be exceedingly revealing and would undoubtedly show that a great number of strategically placed American-born or educated Japanese who had not been out of the United States for some years suddenly departed --- on orders.

Source had a number of personal conversations with such Japanese and invariably they believe and state that
when the war is over they expect to return immediately to the United States.

According to source, the mystifying part is that these Japanese who have spent from a number of years to a lifetime in the United States and have seen the industrial strength of America and intimately know the American people, can so readily be led to believe that the war is already won and have frequently intimated that when the final settlement came and they returned to the United States the standing of the Japanese in the United States would be greatly enhanced.

The Japanese Government has such a strong hold on American-born and educated citizens that they can apparently order them to return to Japan, and once they have returned, they readily assimilate the Japanese viewpoint. They seem very much impressed with America's industrial wealth, but the Japanese Government has evidently convinced them that the American people are soft and weak on account of the high standard of living and that while the war might possibly go against them for a time, Japan will gradually gain ever increasing strength through the development of the resources she has secured in the countries and territories she has conquered.

Source believes it to be a foregone conclusion that every American-born Japanese that left the United States and has in any way helped the Japanese war effort will be deprived of his American citizenship and never allowed re-entry upon any basis.

Source also states that it must be a recognized fact that every Japanese that comes to America from Japan, as a student, a commercial traveller, a quasi-diplomat, or any other capacity that will accord him the right of entry, comes with a definite government assignment to secure and report specific information.
February 19, 1942

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Honorable Adolf A. Berle, Jr.
Assistant Secretary of State
Department of State
Washington, D. C.

My dear Mr. Berle:

According to information received by this Bureau from an outside confidential and reliable source, Japanese intelligence agents have been particularly instructed to obtain information on the following subjects.

Armament production
Distribution of shipping
Labor and transport conditions
Shipping under construction requisitioned and lost
Consumption of raw material
Supply of foodstuffs
Manufacture of substitute materials

The indicated source of information reports that data pertaining to the above matters are desired not only in relation to the United States and Great Britain but also respecting Germany and Italy.

It is further averred that reports on this material are to be made to Japanese embassies and in those countries...
where they no longer exist, it is expected that Spanish communications will be employed.

Sincerely yours,

cc - Rear Admiral T. S. Wilkinson
Director
Office of Naval Intelligence
Navy Department
Washington, D. C.

Brigadier General Raymond E. Lee
Assistant Chief of Staff
G-2, War Department
Washington, D. C.
MEMORANDUM FOR THE DIRECTOR

Reference is made to my memorandum of April 3, 1941, reporting the results of a conversation with Mr. Wallace B. Phillips of Naval Intelligence. At that time, Mr. Phillips stated he would furnish me with a list of the material which the Japanese are seeking in this country, but that it was quite a voluminous report and it would take him sometime to get it together.

Mr. Phillips subsequently telephoned and stated that upon checking, he found that the FBI had already been furnished the information which he had in mind. He asked if we wanted another copy. I told him, no, if it was the same information it would not be necessary.

Respectfully,

P. E. Foxworth
CONFIDENTIAL
WAR DEPARTMENT
WAR DEPARTMENT GENERAL STAFF
MILITARY INTELLIGENCE DIVISION, C-2
WASHINGTON, D.C.

February 18, 1942.

Subject: Letter of transmittal.

To: Lt. Col. J. Edgar Hoover
Federal Bureau of Investigation

The attached communications are forwarded for your information and such action as you consider advisable.

Enclosures: 23

62/10104-1679 - Copy MHD plant summary re Harvill Aircraft Die Casting Corp.: dtd 2-17-41.
62/10104-1987 - Copy " " " re Youngstown Sheet and Tube Co.: dtd 2-17-41.
62/10104-2462 - " " " re Motor Wheel Corp.: dtd 2-17-41.
62/10104-2650 - " " " re Southern Mfg. Co.: dtd 2-17-41.
62/10104-2722 - " " " re Ohio Edison Co.: dtd 2-17-41.
62/10104-2347 - " " " re Eastern Malicable Iron Co., P.
62/10104-2723 - " " " re Powell Valve Company: dtd 2-17-41.
62/10104-2554 - " " " re Albuquerque Air Base Projects.

(In separate envelope to Mr. Wm. Murray, Dept. of Justice.

62/10987-725 - " " " re D. E. Dickey's activities: dtd 2-17-41.
62/4-180 - Copy ltr. fr. Carl Becher re Mr. Frank J. Goodl: dtd 2-17-41.
62/2655-D-556 - Copy of ltr. fr. 9th U. S. re coconut oil: dtd 2-17-41.
62/10090-1957 - MHD Summary of Int. re Kenneth C. Haycraft and former wife: dtd 2-17-41.
Letter of Transmittal to FBI continued.

02/10987-797 – Copy of list of suspected German agents in Central America; undated.

02/1766-2-699 – Copy of memorandum for the Chief, CIB, re reorganization of Japanese Intelligence service in the United States; dtd 2-12-41.

02/1766-2-711 – MID Summary of Inf. re Japanese guards – Northern Pacific Railroad; dtd 2-17-41.

02/10068-1868 – Copy MID Summary Report re Donald E. Witt; dtd 1-31-41.

– Fingerprint record and names for investigation in separate envelope to the attention of M. C. Spear.
MEMORANDUM FOR THE CHIEF, COUNTER INTELLIGENCE BRANCH:

Subject: Reorganization of Japanese Intelligence Service in the United States.

1. This Branch has information from a highly reliable source to the effect that the Japanese intelligence service in the United States is being reorganized and enlarged and is cooperating with German and Italian services.

2. The salient points of the directive sent to the Embassy in Washington are as follows:

"1. Establish an intelligence organ in the Embassy which will maintain liaison with private and semi-official intelligence organs.

"2. The objective of investigations is to determine the total strength of the United States. Investigations will cover the political, economic and military fields.

"3. Surveys to be prepared of all persons or organizations which either openly or secretly oppose participation in the war.

"4. Investigation to be made of all anti-Semitism, communism, Negro movements, and labor movements.

"5. Utilization to be made of citizens of foreign extraction (other than Japanese), aliens (other than Japanese), communists, Negroes, labor union members, and anti-Semites, in carrying out investigations, to get best results. These agents should have access to governmental establishments, laboratories, governmental organizations of various sorts, factories, transportation facilities, etc.
"6. Utilization of second generation Japanese to be made with utmost caution as a slip in this phase would subject Japanese in America to considerable persecution.

"7. Plans to be made to move the Japanese intelligence net to Mexico in the event the United States enters the war.

"8. The net covering Brazil, Argentina, Chile and Peru to be centered in Mexico.

"9. Close cooperation to be had with German and Italian intelligence organs in the United States."

C. H. Mason,
Colonel of Infantry, G.S.C.,
Chief, Intelligence Branch.