

Honorable Spy

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Exposing Japanese Military Intrigue in the United States

BY JOHN L. SPIVAK

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MODERN AGE BOOKS, INC NEW YORK

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PREFACE

IN THIS small volume I consider a few aspects of espionage and what seem to be preparations for sabotaging the peace and security of the United States by secret Japanese agents who have frequently been working with Nazi agents. The area studied is only one strategic center of American defense, and by the very nature of the subject this study is incomplete even as a sketchy outline. It is offered only as an indication of what one of the aggressor powers is doing. My study of Nazi activities in the United States, Europe, Mexico, Central and South America (Secret Armies The New Technique of Nazi Warfare) disclosed repeated instances of cooperation in the Western Hemisphere between agents of the Third Reich and Japan. The activities seemed to point toward planned acts of aggression against the United States. Further studies, many of which were published in the periodical which assigned me to the story, revealed the secret storing of war supplies within easy striking distance of San Diego, one of our most important naval defense bases.

I found Japanese engineers, masquerading as common railroad workers, colonized in strategic military areas just south of the American border and Japanese reserve officers, masquerading as farmers, colonized in and around areas where they could do tremendous damage to American water supplies, transportation, shipping, *etc.* Fuel oil for submarines is being loaded at American ports on Japanese naval tankers ostensibly for transportation to Japan, but actually for caching in wild, deserted areas on the Mexican coast also within easy striking distance of the American naval base.

From all indications the activities are not confined merely to the area considered in this volume. My observations in and around the Panama Canal Zone, Central and South America disclosed similar activity in areas of strategic military and naval importance to the United States. The information I have gathered in this latest study can be viewed only as part of an enormous net which is being spun around areas vital to American defense.

No journalist assigned by his magazine can command the facilities, money and men needed to do more than get an inkling of what is happening, but what little I was able to discover points to a grave situation. The activities of Japanese agents are so widespread that apprehension as to the ultimate motives of their Government seems justified.

I cannot, of course, reveal my sources of information. It is not difficult to guess the consequences to my informant on the secret conference in the Tia Juana bawdy house, were I to give any hint of his identity. That my sources have been accurate has been demonstrated by the frantic shiftings of the registration of some of the Japanese fishing boats immediately after I published my information in a periodical and by the neglect of the Japanese Embassy to explain documents which prove Japanese interference in the internal affairs of the American people.

I should like to caution the reader against jumping to the conclusion that a “Yellow Peril” exists. I do not believe, from all I have been able to learn, that there is a Yellow or any other kind of peril menacing the United States which cannot be handled by sensible, ordinary precautions, once the country realizes the danger and takes prompt steps to curb it. The real peril, it seems to me, lies either in ignorance of what the secret agents are doing or in indifference because we feel ourselves too strong to be perturbed by their activities.

J. L. S.

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Chapter 1

AN AMERICAN PRIVATE ARMY

IF YOU were to get off on the nineteenth floor of the Central Tower Building at 703 Market Street in San Francisco you would never suspect that there was a national, and perhaps an international, mystery behind the door leading to Room 1910. For this room, with its innocuous sign "Consolidated Industries," is the headquarters of a rapidly growing secret army headed by present and former reserve officers of the American armed forces and financed by unidentified persons.

There are other signs on the door to Room 1910: "R. J. Bidwell Co.," with offices, according to the lettering, in New York, Chicago, Detroit, Boston, Atlanta and Los Angeles. Underneath the Bidwell legend is "Bryant, Griffith & Brunson, Inc.," and underneath that is "J. P. McKinney & Son, Newspaper Representatives."

"Consolidated Industries" occupies a single office to the left as you enter and the only difference between it and hundreds of other business offices throughout the country is the large map on the wall showing the routes of the Clipper ships. The map is criss-crossed with lines through the area in the Far East which Japan has been eyeing during the past few years.

It is out of this office that Major Richard L. Dineley, formerly a reserve officer in the U. S. Marine Corps, is intensively organizing a secret army with especial interest in applicants who can fly planes, know the science of fingerprinting, are capable telegraphers and expert cryptographersmen who can devise and "break down" codes and ciphers.

Before I called upon the Major, I had learned, among other things, that he was openly organizing an armed force known as the United States Police Reserve Association. This body was allegedly a patriotic organization whose function was to aid the police in case of serious disturbances. The Police Reserve Association is tightly controlled by five men, the identities of four of whom are a closely guarded secret as closely guarded as is the identity of those who are financing them.

The more I learned about this organization and some of the persons with whom it was originally discussed in several secret conferences, the more I thought of the Cagoulauds in France. Nazi and Italian agents organized a tremendously powerful and heavily armed secret army capable of throwing France into a bloody civil war if not actually capturing the Government. French police discovered its amazing ramifications in time, and swift arrests checked the plot; but not before the French people learned to their horror that among the leaders of this secret army were high French Army officers and nationally known industrialists who were plotting to destroy France's democracy and establish fascism.

I had come across Major Dineley through a secret meeting and some correspondence he had with persons who worked closely with Nazi agents operating in the United States. As far back as July, 1938, the Major had met secretly with Harrison F. McConnell, attorney for William Dudley Pelley, leader of the Silver Shirts, in McConnell's offices in Washington, D. C. After the conference McConnell brought the Major to the offices of James True who offered * to get U. S. Army standard arms in any quantity for a proposed secret army Nazi agents and sympathizers were planning. It was at these conferences with Pelley's attorney and True that the United States Police Reserve Association was discussed. With whom else it had been discussed previously, I don't know.

[* See Secret Armies, Chapter X.]

For months after these conferences the Major contacted present and former reserve officers in the armed forces of the United States. From unannounced sources he secured financial backing. By the latter part of 1938 he had established an office at 420 Market St. in San Francisco with C. L. Tilden, Jr. as the California State Commander while his own secret headquarters was established in the office of "Consolidated Industries."

On October 19, 1938, Dineley wrote Pelley's attorney asking him to arrange for the renting of offices in Washington, D. C. For the benefit of those Army, Navy, Marine, city and police officials who succumbed to the Major's Lorelei of "patriotism" and never suspected the connections, I quote the letter in part:

You will perhaps recall my visit to your office in the early part of last July, at which time we discussed several matters, among which was a plan that had been

formulated for the organization of an armed, uniformed body, to be called the "United States Police Reserve Association." ...

... we are planning on opening up an office in Washington.

We have tentatively agreed upon the American Building as being desirable, both because of the location and also because of the name....

The letter is reproduced in this book. The reader will notice that the name of the person to whom it is addressed, Harrison F. McConnell, has been cut out. This is the latest precaution men of this type are taking to prevent identification of individuals named in correspondence should the letters come into the possession of persons to whom they were not addressed. The letters are filed with all names deleted.

Sumner Duncan Dodge of San Francisco was chosen to head the Washington office. Dodge is a member of the Silver Shirts, has a long record of strike-breaking activities on the West Coast and is rabidly anti-Semitic. He is a close friend of James True and every labor difficulty is construed by both as a "Jewish-Communist revolution" from which they are ready to save the country by a little strike-breaking at \$25 per day. A letter written by Dodge to True is also reproduced. The reader will notice that here, too, the names and signatures have been cut out. The parts deleted are also reproduced. True didn't burn them quickly enough.

Once the decision to organize the Police Reserve Association was made, the Major began by playing up the somewhat shopworn Red scare. Most phoney "patriots," I have observed, use "the menace of Communism" to get the suckers. It's the bugaboo which has so far proved the most successful.

On February 6, 1939, the Major sent out a feeler to the mayors and chiefs of police of all California cities and towns. The letter began with a statement alleged to have been made "at a mass meeting of Earl Browder, Communist leader of the United States, and Harry Bridges, West Coast agitator": "Don't forget, comrades, that when the 'day' comes we will have twenty communists for every cop." Both Browder and Bridges deny ever having made any such statement and the Major has been unable to recollect the time, place or give quotations from the alleged speech. However, it served the Major's purpose of bringing the Police Reserves to the attention of city and police officials as a

“movement to fight Communism” and one which was inspired by the alleged Browder and Bridges speeches.

Chief of Police Quinn of San Francisco was asked to permit the organization of the Reserves. After an investigation he discovered that the Constitution and By-Laws of the organization provided for the establishment in every state in the Union and its territories of “regiments, battalions and companies” and that the control and operation of this private army was entirely in the hands of five “founders,” four of whom were unidentified. In addition the investigation disclosed that applicants were asked to state their religion and color. It smelled too much of the old Nazi Aryan stuff; Chief Quinn announced shortly that “There is room for only one police force in San Francisco,” and simultaneously sent a warning to all state police officials over the teletype wires.

[*

Illustration:

Membership card in the private army

THIS IS TO CERTIFY THAT

FRANK C. McGUIRE

IS A MEMBER OF THE

UNITED STATES POLICE RESERVE ASSOCIATION

AND IS ASSIGNED FOR DUTY WITH THE

Division

Feb. 7 1919:

N9 43606

*]

Nevertheless, since the initial feeler sent out in February 1939, the Major and his silent partners succeeded in organizing six thousand men in southern California.

At present they are negotiating for large groups to join their ranks. According to the Major's confidential whisperings to his organizers, these groups include the National Rifle Association and the Associated Farmers which, at this writing, is under investigation by the LaFollette Senatorial Civil Liberties Committee.

With this bit of background of the United States Police Reserve Association, we can call upon the Major in his office.

There was a man talking to the secretary when I walked in and asked for Major Dineley.

"What do you wish to see him about?" she asked, looking me over carefully.

I lowered my voice. "It's a personal matter," I said.

Low, confidential tones and significant glances seemed to be the correct thing in this office, for I had no sooner affected them, making quite plain that I was fearful someone might overhear me, than both the secretary and the man broke into pleasant, welcoming smiles.

"Oh, I see," she said. "The Major will be back in about half an hour. It'll be perfectly all right for you to go into his office and wait there. I imagine you'd prefer that rather than waiting out here."

She looked knowingly at me and ushered me into the Major's room.

When the Major, a man of medium height with ruddy, clear-cut features, finally appeared, he seemed startled at finding a stranger at his desk.

"My name's Spivak," I introduced myself.

"The hell you say!" he exclaimed. "I've heard of you." He recovered his poise quickly and smiled. "How'd you find this place?"

"Oh, I've known about it for some time. I thought I'd drop in and ask you a few questions about who's behind your Police Reserve Association."

"Five founders—"

"I know; I mean who put up the money?"

“Five patriotic citizens.”

“Who are they?”

“That’s secret. Can’t tell you that.” He ran a hand over his thin, graying hair.

“The founders are known only to the founders and to no one else. I’m one of ‘em but the other four cannot become known.” He paused a moment and then added, “It’s the Reds. If they find out might kill ‘em.”

“Isn’t that Red gag a bit overworked?” I laughed.

He grinned at me without answering.

“Okay, if you don’t want to answer that one,” I said.

With his permission I helped myself to his office typewriter to take verbatim notes of the interview so there could be no possibility of misquotation. “Don’t you think it might be dangerous to the country for a heavily armed private army to exist whose members are responsible to five individuals, the identities of four of whom are kept a closely guarded secret?”

“Outside of keeping the founders’ names secret, the Police Reserves is an open and above-board body,” he said.

“If it’s so open and above board, why is each member given a secret code number with which to identify himself and to sign when he sends in confidential reports?”

He looked sharply at me and then slowly shook his head. “Someone’s been giving you a wrong steer,” he smiled. “This is the first I’ve heard of it.”

“How about this?” I handed him a photostatic copy of the printed instructions which accompany the membership cards. “The orders are very specific. The member is instructed to commit the number to memory and then destroy it or put it in a safe place. You caution each member never to disclose it to anyone except a state or national officer. Sounds a bit like a secret army, doesn’t it?”

“M-m-m-,” he said, examining the photostatic copy. “Where’d you get this?”

“What’s the idea of code numbers?”

[*

Illustration:

Secret code number given member along with membership card in the “above board” organization

This Is Your Personal CODE Identification Number

Carefully commit same to memory and then either DESTROY this slip or place same in a safe place.

This confidential CODE NUMBER, in addition to your BADGE or CARD NUMBER, MUST be signed to all official communications, reports, etc., which are sent to STATE or NATIONAL HEADQUARTERS, but the CODE number should NOT be signed to routine correspondence to your company commander.

It must not, otherwise, be ever disclosed to any person, either within or without the Association, other than when proof of proper membership is demanded by a STATE or NATIONAL STAFF OFFICER.

*]

He stared out of the window at San Francisco stretched below us. “Just to check,” he said uncertainly. “Just to be sure somebody doesn’t try to misuse the credentials in any way.”

“If it’s only to check, why sign reports with secret code numbers? What kind of reports do you expect?”

“Well you see they don’t have to send any in unless there’s something special to report.”

“Then what you’re actually building is an intelligence service as well as a secret army?”

“It’s not a secret army” he began.

“What would you call it code numbers, confidential reports, secrecy as to its backers and those who finance it. I believe you’re spending a lot of money for

printing, mailing, sending out organizers and maintaining offices in San Francisco and Washington, D. C. Who's putting up all that money?"

"Say!" he exploded. "Why do I have to answer these questions?"

I ignored the query and continued taking detailed notes on his typewriter. When he had quieted down a bit, I asked, "Don't you think local police, state troops and, if necessary, the armed forces of the United States, are capable of handling any situation which might arise? Think your private army could do better?"

"That's not the point—"

"That's just what I'm trying to do to find out—just what is the point."

"We want to help the police in case the situation gets out of hand."

"Why can't local police, state troops and the army do the handling? Are they incompetent?"

"Suppose the local police don't want to protect life and property—or the Governor doesn't want to call troops?" he said, giving me a very significant look.

"Now we're getting somewhere," I laughed. "The idea is that if the duly elected officials, placed in office by the people, don't agree with you as to the need of troops, then your private army steps in anyway. Is that it?"

He fiddled with the letter opener on his desk. "According to our Constitution we can't do anything unless we're called in," he said.

"And if you're not called in and in your judgment the situation is serious?"

"Our object is to preserve life and property."

"An army like yours could be used to break strikes, too, couldn't it?" I asked after a moment's silence.

"We're not anti-labor—"

"I didn't say you were, though you have a pretty good record of strike-breaking

activities. I merely asked if a private army, well armed, couldn't be used to break strikes?"

"Well I suppose if it got into the wrong hands—"

"And if it got big enough—like Mussolini's Black Shirts and Hitler's Brown Shirts—and the Federal Government wasn't doing what the mysterious founders of this private army thought it should, force could be used against the Government, couldn't it if it got into the wrong hands, of course?"

"We want to protect the country—"

"I believe that's what the Nazis in this country are saying, too," I said. "And they're taking orders from Germany. However, are any of your mysterious co-founders military men like you?"

"All of them are connected with the armed services of the United States; that is, some of them are reserve officers. But I refuse to answer questions about the founders. I'm the Commandant that's enough."

"How'd you happen to pick Walter Walsh as one of your founders?"

He had been staring out of the window. At the mention of the name, he swung around quickly.

"How'd you know about Walsh?" he demanded.

"Walsh is a Navy Reserve officer," I said, "secretary of the Navy League here in San Francisco and very active in the American Legion all of them very strategic positions for an army like this, aren't they?"

The Major stared at me, a puzzled frown on his forehead deepening.

"How much did Walsh contribute to found this army?"

"Oh, he's not a rich man."

"Didn't contribute much?"

"No-o," he said.

“Captain Philip H. Crimmins—inactive service in the Marine reserves. He’s a lieutenant of police at the San Francisco Fair grounds. How’d you pick him—and is he a rich man?”

“I don’t think so,” he said.

“Are you rich?”

“No, I just make a living.”

“That’s three out of the five who have not contributed in any amount. It’s somewhat different from what you told me at first. What about George A. Cook of Los Angeles, another of your mysterious founders? You two were together in Honduras, I believe, and you’ve known him a long time. Has he contributed much?”

“No,” he said again.

“What about Richard E. Nordstrom who lives at the Hollywood Plaza Hotel in Hollywood? He’s a retired aviation officer in the U. S. Army and an undercover agent for the Waterfront Employers Association. I believe the two of you worked together during the 1934 general strike.”

The Major’s whole appearance seemed to change at the mention of Nordstrom’s name. His face became a deep red and he seemed to breath with difficulty.

“How does Nordstrom make his money?”

“I don’t know.”

“You’ve known him for years, you know he lives lavishly, you associate with him in this private army and you don’t know how he makes his money?”

The Major turned in his chair uncomfortably, picked up a bronze letter opener and toyed with it.

“What do you know about Nordstrom’s tie-up with Japanese fishermen operating off the West Coast?”

The hand toying with the letter opener stopped in mid air. The Major turned

scared eyes on me but kept his mouth tightly shut.

“Periodically he gets a wad of dough \$5,000 at a clip. From whom does he get it?”

The lines around the Major’s mouth became one grim line.

“How about you?” I asked, after he had maintained silence for several minutes. “Have you had any recent dealings with the Japanese?”

“What the hell is this!” he finally exploded. “I don’t get it! You start off by asking me questions about the Police Reserve Association and now you’re on the Japanese. What the hell is it your business?”

“The business of any American who doesn’t want to see a fascist army perhaps organized at the direction of foreign powers established in this country,” I said. “And that brings me to another question. What is your business? How do you make your living?”

He opened his hands wide in a protesting gesture, forgetting all about his angry demand as to why I was questioning him.

“I’m an importer and exporter radio equipment, oil, blankets just general stuff.”

He spoke quickly as if he were anxious to convince me that he was in a legitimate business.

“And arms and munitions?”

A flush spread over his face.

“You know a lot about me, don’t you? All right arms and munitions. So what?”

“Odd tie-ups, Major, aren’t they? You buy arms and munitions from the United States and resell them to Central and South American countries. I believe some of your guns went to General Saturnino Cedillo * just before he started his abortive rebellion to overthrow the Mexican Government. That rebellion was directed and engineered by Nazi agents seeking to get a foothold south of the American border. At present you’re negotiating to sell arms to General Yocupicio, Governor of Sonora, who is plotting another rebellion—”

“All Yocupicio asked me for was an estimate for fifty thousand pairs of army shoes.”

“Yocupicio hasn’t got an army of fifty thousand men and you know it. And you also know that Yocupicio has been conferring secretly with Nazi agents operating out of Los Angeles—”

[* See Secret Armies, Chapter IV.]

He jumped up, his eyes blazing.

“Look here,” he shouted, “I’ll be God damned if I answer another one of your questions. I have a license to deal in arms and the United States Government knows all about my activities—”

“All?” I asked quietly. “Does the Government know that you’re a secret agent in the British Intelligence Service?”

“That’s not true,” he exclaimed excitedly. “I’m no longer with the British Intelligence. I did some work for them but that was years ago. I’m not with ‘em now!”

“You were an American reserve officer when you worked for the British Intelligence.”

“No I was not on the active list. But that was years ago—”

“Are you connected at the present time with the intelligence service of a foreign power?”

He stared at me with the bewildered, frightened look of an animal trying to escape from a trap in which it had suddenly found itself.

“I am not!”

“You haven’t looked in your wallet lately, have you?” I smiled.

His mouth opened. “Oh,” he said.

“Yes, that’s what I mean. You’re carrying an identification card issued by the

Mexican Government's Gubernacion [Department of the Interior]. Gubernacion has a serviceable intelligence service. How come they issued the card to you?"

"I'm very friendly with the Mexican Government."

"You carry Gubernacion identification and at the same time deal with people who are plotting to overthrow the Mexican Government?"

"I am friendly with a lot of Central and South American Governments. I have to be to sell arms and munitions."

"When you sell arms and munitions, you act as agent, don't you?"

"Yes, purely as agent. I buy, sell and get my commission."

He was breathing a little more easily now that we were off foreign intelligence services and the color was slowly returning to his normally ruddy cheeks.

"Do you ever buy war materials and store them?"

"Of course not! What would I want with them!"

"That's what I'd like to know. What about the seventy thousand dollars' worth of bombs, hand grenades and other war supplies you've got stored right now in Los Angeles?" *

[* This interview took place in April 1939. On July 6, 1939, after I published the address of the arms cache, U. S. Naval Intelligence officers entered the warehouse where the arms were stored and took charge of the matter.]

"Oh," he said again. "It's not my arms and munitions. I got 'em for a fellow who wanted to start a revolution in Panama. Then there was a little difficulty and the stuff was stored at the Birch-Smith Storage Co., 3625 South Grand St."

"Yes, I know. A fellow named Bilo Mendez who used to be a police officer in Panama. Do you know where he got the money for the war supplies? He's not a rich man, I understand."

"No, I don't. I don't ask where they get their money."

“Mendez has been floating around San Pedro, one of our important naval bases, with a lot of money. He has money in several banks under different names—”

“I don’t know anything about his money,” the Major insisted.

“Well, now, let’s see. The Government of Panama is friendly to the United States which makes it hard for Japanese agents operating in the Canal Zone. Japanese and Nazi agents were behind the Cedillo rebellion to overthrow the Mexican Government because it’s antifascist. Japanese and Nazi agents have been working hard to get a pro-fascist government in Mexico so they could establish themselves south of the American border where they are already storing war supplies in what look like preparations of a military nature against the United States. It would be of enormous advantage to Japanese agents if the Panamanian Government were overthrown and a government not so friendly to the United States established in power. An unfriendly Panamanian Government would gravely affect our defense of the Panama Canal ...”

I paused and waited for comment. He hesitated and then said uncertainly, “Yes, I guess so—”

“And Bilo Mendez can’t explain where he got the money for all these arms to overthrow the Panamanian Government—”

“He’s never told me,” said the Major.

“Now, let’s see a little bit more. The Panamanian Government, because activities by crews on Japanese fishing boats smelled a little too much of espionage about our Canal defenses, banned all alien fishermen in Panamanian waters. It was a friendly gesture to the United States. The Japanese thereupon moved north to Costa Rica. In San Jose, the capital of that little Republic, is an Italian agent who arranged for a gift of \$300,000 worth of arms to Nicaragua. It just happens that the United States plans to build another canal through Nicaragua and fascist powers are trying to get a foothold in there since it’s an important spot for American defense. What with Japanese, Nazi and Italian agents operating out of Costa Rica, that country becomes important to our defense. Recently you’ve been shipping arms to Costa Rica—”

“I ship arms to many Central and South American Republics,” he protested.

“Doesn’t it occur to you, as a great patriot who is organizing a private army to

save the United States from something or other, that you happen to ship arms and munitions to just those countries where Japanese and Nazis are trying to establish themselves in the Western Hemisphere?”

“Selling arms is my business,” he said. “But what’s that got to do with the U. S. Police Reserve Association?”

“This private army of yours reeks with mystery,” I explained, “its origin, backers and directors. You’re making a national drive on a ‘patriotic’ appeal to save the country from an alleged impending revolution, and everything connected with your private army is, to say the least, very mysterious if not actually sinister. Your own activities need a little explanation. Before you started to organize this private army you were in conference with people close to Nazi agents operating in this country. Others with whom you held secret conferences are native American fascists. You’ve been associated with people who want to overthrow governments friendly to the United States governments which are strategically located for American defense. From a patriot like you who beats his chest with loud cries that he wants to save the country, don’t you think there’s a little explaining to do?”

“I earn my living selling arms and munitions,” he insisted. “I can’t examine the motives behind everyone who wants to buy a shipload of bombs or hand grenades.”

“Okay. When did you last confer with C. F. Ingalls?” *

[* Lived at 2702 Bush St., San Francisco, but moved after publication of Secret Armies.]

“Ingalls,” he repeated. “I don’t know anyone named Ingalls.”

“Perhaps I can refresh your memory. At eight o’clock on the night of June 3, 1938, there was a secret meeting called by Roy Zachary, the Silver Shirt leader on the West Coast. The meeting was in Room 319 at 610 Sixteenth St. There were only half a dozen present. Among them, besides you, was Ingalls—”

“Oh,” he said with a weak smile. “Oh, yes. I remember that meeting. This man may have been there but I don’t recollect him. I certainly never saw him again.”

“On March 5 of this year,” I continued, “there was another secret meeting at the

home of Sterling Foster, 289 Kensington Way, one of your organizers for the Police Reserves—”

“Looks like you got spies everywhere, eh?” the Major said ruefully.

“That’s better. What’s your tie-up with him?”

“Oh, he had some crazy idea” he began and then added, “I get all sorts of screwballs who want to see me about some idea they have.”

“What was the idea?”

“I don’t remember.”

“Wasn’t it something about organizing a secret armed body—”

“Come to think of it,” said the Major as if he had just recollected something, “I think he did say something about that—”

“You know of Ingalls’ connections with secret Nazi agents operating on the West Coast?” *

[* See Secret Armies, Chapter X.]

The Major swung around on his chair and stared out of the window without answering.

“Don’t feel like explaining any more?” I asked gently.

“Yet the procedure you are following is the same followed by Mussolini and Hitler when they organized the Black Shirts and the Brown Shirts. They got financial support from industrialists who saw possibilities of using these strong bodies to curb the demands of organized labor and eventually to destroy the unions. That was before the industrialists learned that they were being hanged on the fascist limb, too. Now you’re trying to get into the trade unions and are appealing for support from industrialists on the grounds that a private armed body like yours could be of help in industrial strife.”

“I’m organizing a Police Reserve not interfering in trade unions or asking for support from industrialists,” he said indignantly. “I am not anti-labor!”

“I happen to have some letters you wrote and reports your agents sent in to you,” I said.

“The hell you have!” He reached instinctively for the lower right-hand drawer of his desk.

“Oh, they’re not there,” I assured him.

Chapter 2

SOME CONFIDENTIAL CORRESPONDENCE

MAJOR DINELEY did not tell the industrialists, the mayors or the other officials with whom he dealt of the strange connections with foreign governments. His appeals are made purely on a strike-breaking basis in some instances; in others he maintains that the Police Reserve is a “patriotic” movement designed to save the country. In still others the Major’s agents use the anti-Semitic angle of “a Jewish-Communist revolution” which is due at any hour, according to the Major’s “confidential information.” The Major is apparently ready to be all things to all men if they will line up in his Police Reserves.

For the benefit of those industrialists, mayors and police officials whose membership he seeks, let me quote from the reports he received from his agents. I shall quote only the significant passages in the letters; photostats of the complete letters appear in this book. They tell the story better than any comment I can make.

On January 29, 1939, Nelson Goodwin of 14 West 76th St., New York City, wrote to the “Commandant” suggesting that the Major meet Mayor Hague of Jersey City, “the key to New York City.”

I am getting reports [Goodwin wrote] on several towns near the city which appear the most promising for our work. Yonkers, Paterson, N. J. and one or two other smaller spots in Jersey.

As I see it the key to New York City is Jersey City, N. J. where we have the militant Mayor Hague a staunch supporter of business interests against all attacks of the C.I.O. and other radical labor movements. At this time particularly we should have no difficulty in obtaining Mayor Hague’s endorsement to our work because he needs help as evidenced by the recent injunction obtained, and sustained by the decision of the Newark courts the other day, which in effect compels the Mayor of Jersey City to cease obstructing the operations of radical groups in New Jersey... .

On February 4, 1939, Major Dineley wrote to Goodwin that things were all set to

start on the New York Metropolitan area. On February 10, 1939, Goodwin wrote to the Major, who also cuts out names before filing important letters.

Immediately upon receipt of the February 10 letter the Major scratched out the names in the report until the fibre of the paper was torn. Then he added ink to the scratched part as an additional precaution. Perhaps, however, he was in a hurry, for he failed to blot out James True's name in one paragraph which tells of conferences with this close ally of Nazi agents. Goodwin also reports the discovery of an unidentified labor leader through whose aid he thinks they can invade the trade unions to secure membership in the mysteriously directed private army.

The report, with the names and phrases the Major scratched out indicated by dots, follows:

The most recent letter from , withdrawing his suggestion that we start in Manhattan, sent to me after your last chat with him on the subject, is typical of open mindedness

is a grand person to work with. There is no question that Manhattan must be handled along special lines, perhaps through institutions or labor groups, as

originally thought, and once we got

started An experience I had last night

seems to bear this out.

[The experience is his meeting with the head of a civil service training school for police who was interested in the Police Reserves but insisted upon real American tolerance for religious freedom.]

I made the mistake of calling a spade a spade concerning the Jews and our newly made acquaintance said he would have no part in its work, if the U.S.P.R.A. was anti-Semitic. For this reason I did not let him know I was organizer for the N. Y. district.

I have talked to ten or twelve radio and mounted patrolmen. All were exceptionally intelligent, and with the exception of one mounted man, were on the force less than ten years each. It was surprising how well informed these men are on the Jew-Communist situation. One of them could have lectured on the

subject; knew of True, Pelley and Edmondson and had studied in social and political economy and knew his Talmud and Protocols* like a scholar... .

[* *Protocols of the Elders of Zion*, a notorious forgery used chiefly by Nazi agents in the United States to whip up anti-Semitism.]

These men thought that Commissioner Valentine would co-operate with us if there was a different Mayor [... However, until we have a more friendly city hall, it seems to me the “union angle” may be the way to quietly get enrollment under way.

f Goodwin’s underlining.

I’ve asked Mr. True for the groups he had in mind in Manhattan... .

The effort to get a foothold in the trade unions is significant. It might be of interest to the Department of Justice, since the Major’s union plans skirt, if they do not actually violate, the Federal laws dealing with union organization. While the Major’s agent in New York was contacting and conferring with the unidentified labor leader and keeping in touch with James True, the Major himself did a little appealing to industrialists on the strength of his anti-labor record, dropping some hints upon the usefulness of a private army in industrial disputes.

Let me quote from the letter he wrote on March 31, 1939, to Charles R. Page, 2684 Green St., San Francisco:

I might say that I base my personal opinion on a background of considerable experience in labor conditions, having been, at various times, special agent for the old Waterfront Employers Assn., the Merchants, Manufacturers & Employers Assn., the Pacific Federation of Employers, the Standard Oil Company, the Western Pipe and Steel Company and, in 1921, was in complete charge of the Builders Exchange fight to install the American plan in San Francisco. I might refer you to Mr. W. H. George, President of the Builders Exchange, in connection with that affair. With the moral support, and the names of such prominent persons as yourself, it is believed that the United States Police Reserve Association can be made a national movement of far-reaching effect on the economic well-being of the nation, a definite factor for peace in industry and otherwise... .

The most intensive drive, however, is on the West Coast. An agent named Clark Coe is mysteriously flitting about California holding confidential meetings with police commissioners, police chiefs, mayors and, in one instance, with Victor McLaglen, the abysmal brute of the movies. On February 15, 1939, Coe reported to Major Dineley:

Have made arrangements for the cooperation of the American Legion District Commander as a personal effort on his part to select the best men in each Post. Also have had offered to me the list of aviation section for auxiliary work. Taking in the holders of all types of commercial licenses. My brother-in-law is in a position to organize and train this branch. He has operated the foremost school of its kind for 20 years. Trains whole groups of fliers for foreign active service under Federal supervision.

I might insert at this point that I found no evidence that American Legion members whom the Major's agent sold on the Police Reserve idea had any notion of the dubious motivation and support behind the entire organization. They were appealed to on a patriotic basis and, as in other similar cases, fell for it hook, line and sinker without getting to the actual nature and purpose of the Association.

In the same letter Coe tells of a conference with Ray Haight, Los Angeles Police Commissioner:

Expect to have another talk with Ray Haight this afternoon. They are going to have a new police chief here selected by the Police Commission instead of the Mayor... .

When the L. A. Police Dept. get back of us it will give us 65 Police Chiefs in the county as a fine background to move on. ...

On March 27, 1939, Coe further reports:

Yesterday (Sunday) I went to Porterville in response to a card from Mayor Cummings. He is a fine fellow and will start immediately in organizing Tulare County.

Today I spent several hours with Victor McClaglin (movie star) who has a Horse Troop, Aero squadron, Champion Motor Cycle squadron, all under his control. I asked him to become State Commander... . Have seen two more County

Presidents of Associated Farmers who want to co-operate. I believe that I can virtually get (60 days) their entire membership (60,000) plus one additional member from each of them. If this can be done I believe that I then can take over the responsibility of the job of doing the job nationally.

I might add here that Victor McLaglen is a British subject and what he's doing with horse troops, aero squadrons, etc., "all under his control," could stand a little explaining. It seems to me that there are enough native Americans organizing private armies.

The approach of "saving the country from the Communist menace and an imminent Red revolution" which is always just around the corner to these gentlemen with strange national and international tie-ups, worked with a number of police officials despite the warning sent out by Chief of Police Quinn of San Francisco. On March 24, 1939, Coe reports:

So far I have started organizations in the following. Ventura, Venice, Anaheim, Placentia, Azusa, Uplands, El Monte, and Los Angeles.

The method I am using is to let one man in a high position select the men in his town that he thinks will serve best. That way we get only men who are known to be in full accord with the movement.

With Japanese and Nazi agents spending vast sums of money to establish in this country organizations which will be of service to them in their declared or undeclared wars on the democracies, to discover just what this movement really is, might be a fruitful undertaking for the Department of Justice. And so might the strange case of the high Los Angeles police officials who supplied confidential information to Japanese and Italian agents.

Using the Communist bugaboo to start the private army on a "patriotic" basis

NATIONAL HEADQUARTERS

UNITED STATES POLICE RESERVE ASSOCIATION

AMERICAN BUILDING. 1317 F STREET. N. W. WASHINGTON. D. St

February 6th, 1959.

The Chief of Police,
Daly City, California.

Dear Sir,

Some time ago, at a mass meeting of Earl Browder, Communist leader of the United States, and Harry Bridges, West Coast agitator, it was said - "The police may be the bulwarks of the capitalistic governments but don't forget, comrades, that when the "day" comes we will have twenty communists - black and white - for every cop!"

Our answer to that challenge was the formation of the "UNITED STATES POLICE RESERVE ASSOCIATION" and sufficient interest has already been shown by numerous citizens to warrant the consideration of requests to form several units in your community and vicinity.

The Association, as you know, is primarily interested in the organization and training of groups of reputable, dependable American citizens who, in time of local, state or national distress, may be called upon by your office to assist the regularly constituted police during the emergency, in any way that you should see fit.

We would appreciate your giving this matter some thought, with a view to recommending one or two men who, in your estimation, would be desirable company commanders.

There are no dues or assessments involved in membership, as you will note from a perusal of the Constitution and By-Laws, which are incorporated as a part of the regular membership application blank, a copy of which is enclosed herewith for your information and files.

We wish to call to your particular attention Article 6, of the By-Laws, which covers the only conditions under which members are subject to duty, upon a call from your office.

The State Commander, California Division, Mr. C. L. Tilden, Jr., of San Francisco, will most-likely communicate with you further, in the near future.

Very truly yours.

Secretary.

The drive for 100,000 members in Dineley's organization

SEABOARD OIL ((SUP)) MEAL COMPANY

PINE STREET

OOOOLA. 24*

SAN FRANCISCO

604 Sub Terminal Building,

Los Angeles, California,

February 23, 1939

Commandant R. L. Dineley,

1910 Central Tower Building,

703 Market Street,

San Francisco, California. Copy to C.L.Tilden Jr. State Commander

Subject: Organization plan and policy.

The following has been worked out based on a desired total membership in California of 100.000 members.

Group number 1:

Mailing Lists. It IS necessary to classify the type of prospective members and use a given number of names of each class so that the returns will indicate which type of prospect is most productive of results.

Group number 2:

(a) Service Organizations. To work through the head of service organizations to secure their cooperation and personal effort in developing members through

group meetings or through individuals solicitations by representatives selected by Service uiubs.

(b) industrial Organizations, Banks and insurance

Companies *etc.* The enlistment of the services and cooperation of withe* executives or their deslgnated representatives to solicit?

members from the ranks of their employees.

(c) 'Police Departments. Cooperation of the police chiefs can be obtained. The patrolmen, sargent, and other offioere can be requested to distribute application blanks to prospective members giving them the opportunity to select their own assistance from people who are know to them.

(d) CIVILIAN GROUP. Selecting civilians to act as

captains in the forming of their own companies. This method is very weak in many respects and proabaly will not be successful.

Group number 3:

Newspaper Publicity: Releasing news stories whenever possible ill bring more than sincere inquiries from the best type of prospective nembers than from any other type of activity than we can institute, inquiries coming from the result of newspaper publicity can easily be developed Into sub organizers which will undoubtedly produce more of the type of volunteer that M desire than any other methods of solicitation we have found.

Subject: STATE HEADQUARTERS:

To avoid insufficiency, duplication and lack of coordination one headquarters should be established to use as a clearing house for all membership activity. Having been appointed State Organizer all natters then should clear through a designated officewhich I can supervise here in Los ngeles,

I therefore make the suggestion I receive your official approval for the establishment for such headquarters and the handling of all affairs coming under the heading of organization Including the handling and the receiving of all initiation fees received by any or all organizers or officers or other offices of the

association for redistribution which will carry the expense of organization. All such moneys received will be placed in a special trust account and an accounting made to the State Commander.

It is suggested that all applications be received by the State Headquarters for temporary approval and classification then forwarded to Washington Headquarters for final approval or recommendation or rejection. It would seem advisable to have each State Headquarters make out the membership cards rather than have the work centralized In Washington.

If your approval of the above suggestions is received I will work out in detail a method of handling and filing all applications which would relieve the. National Headquarters of as much work as possible to be submitted to you for approval

Sincerely Yours,

Clark Coe. State Organizer.

Some American Legion commanders, not knowing what's behind the Police Reserve Association, fall for it

The Police Reserve Association launches its campaign in New York and New Jersey

Major R. H. Dinely H West 76 Street American Building New York City
Washington, D. C.

Dear Major Dinely, January 29, 1939.

It was a real pleasure to meet you when you were in New York last Thursday and I enjoyed our talk and lunoh together. I am convinced that you have something and am very pleased to be able to go along with you*

I am getting reports on several towns near the city which appear the most promising for our work. Yonkers, Pater son, N. J. and one or two other smaller spots in Jersey*

As I see it the key to New York City is Jersey City, N. J. where we have the militant Mayor Hague a staunch supporter of business interests against all attacks of the C.I.O. and other radical labor movements* At this time

particularly we should have no difficulty in obtaining Mayor Hague's endorsement to our work because he needs help as evidenced by the recent-injunction obtained, and sustained by the decision of the Newark courts the other day, which in effect compels the Mayor of Jersey City to cease obstructing the operations of radical groups in New Jersey.

I do not think it necessary to wait upon a mutual friend to introduce us to Mayor Hague. A letter from you stating what you have accomplished elsewhere and what you hope to do in the East, and your desire to have a talk with him before you return to California will in my opinion bring a favorable response* I would very much like to see this accomplished before you leave in which case I would start operations in Jersey immediately.

I have so far been unable to get the dope on the police reserve in New York City. Will keep after it and advise you later*

How did you make out with the National Better Business Bureau? I hope you were successful*

May I suggest that you send me whatever credentials you employ to confirm the appointment of your State Organisers* If you will entrust both States to my care I will have a responsible partner to handle them jointly* Let me hear from you soon.

With best wishes. Sincerely yours,

The mysteriously directed private army is established in eight California cities

NATIONAL HEADQUARTERS

UNITED STATES POLICE RESERVE ASSOCIATION

AMERICAN BUILDING. 1317 F STREET. N. W.

WASHINGTON. D. C.

Dear Dick, March 24th. 1959.

Have been working-like Hell on the Police Ass'n. The results seem to be quite satisfying* The most important item of all is the definite* possibility of getting

60,000 members at one time. They would come from the Associated Farmers*

Have had full cooperation from the three Counties I have talked to and they are going to have the general secretary come down from S.F. to try to work out a plan which will be satisfactory to them all* I offered to give all their members a membership in this association if they would carry all the expense of printing, mailing, and clerical work, with the provision that each one of their members would enlist one more member in our organization* They rejected the idea, saying that they could all afford the dollar and it would not be a drawback.

Even if the plan is not accepted for the whole state I believe that I can get many counties down here to come in* In their set-up, each county is a separate unit which is incorporated. They have the most complete files on information on the RED activities and have offered them to me.

So far I have started organizations in the following. Ventura, Venice, Anaheim, Placentia, Azusa, Uplands, El Monte, and Los Angeles,

The method I am using is to let one man in a high position select the members in his town that he thinks will serve best* That way we get only men who are known to be in full accord with the movement.

I am so confident that the Farmers will get behind this that I am going very slow in using any other methods, until that is established one way or the other*

Had hoped to hear from you this week. Am enclosing another letter on another subject*

Sincerely

The movie star, Victor McLaglen, a British subject, steps into the picture

An "armed, uniformed body" seeks an office in our national capital

CONSOLIDATED INDUSTRIES

October 19th. 1938.

You will perhaps recall my visit to your office in the early part of last July, at which time we discussed several matters, among which was a plan that had been

formulated for the organization of an armed, uniformed body, to be called the
“United States Police Reserve Association”.

After considerable preliminary research, we are now about ready to proceed and
as an initial step we are planning on opening up an office in Washington.

We have tentatively agreed upon the American

Building as being desirable, both because of the location and also because of the
space.

Would it be asking too much of you to give me an

Idea as to what space in your building rent—B at and if there is now available a
reasonably comfortable, sunny office of 200 or 900 square feet of floor space?T
Inasmuch as we are unknown to the management of thought it would be better to
have either yourself or speak to them for us. rather than to write direct.

It is quite possible that we may ultimately require considerable additional space
but a single office will suffice for the present.

Thanking you in anticipation and hoping that I may have the opportunity of
again seeing both you and the Judge* I am

yours.

Suppressing the “Judeo-Red revolution” at \$25 per day

Names Dineley cut out of preceding letter

Chapter 3

POLICE OFFICIALS AND JAPANESE AGENTS

IN THAT SHADOWY UNDERWORLD in which agents of foreign governments operate, the Japanese espionage service in California learned that William F. Hynes, acting Captain of Detectives of the Los Angeles police, was supplying confidential information to Italian agents and was depositing more money to his bank account than he earned on his monthly salary. Hynes was nationally known as a great “patriot” and staunch defender of Americanism because of his attacks upon all shades of radicals and progressives. The Japanese determined to establish contact with him. They wrote a letter ostensibly asking for information about American Communists but also asking about the matters in which they were really interested. The letter concluded with the diplomatic statement that they’d be glad “to defray expenses.”

This contact letter is dated September 1, 1936. It was written on official Consulate of Japan stationery and signed by Toshio Sasaki, Vice-consul stationed in Los Angeles. The letter follows:

I have the honor to inform you that our Government is desirous of making themselves acquainted with recent developments of the communistic movement throughout the world. They are particularly anxious for materials concerning the communistic and trade union movements in the Pacific coastal districts, as they understand that a number of Japanese and Americans of Japanese parentage are taking part in those activities.

Failing to obtain access to any detailed information on the subject I venture to request of you that you may be kind as to furnish us with information on the following points:

- 1 . Communistic movements in the coastal districts; their brief historical review, present organization, their networks, future prospects, *etc.*
2. Trade union movements in the coastal districts; their brief historical review, present organizations, their networks, future prospects, *etc.*
3. The above movements viewed in the light of the nation-wide background.

4. List of the Japanese and the Americans of Japanese parentage, who are suspected of taking active part in the above movements.

5. Bibliographies, pamphlets, booklets or any other materials which may enlighten us on the above subjects, or addresses of any institute or organization where we may write for detailed information.

We shall be glad to defray any expenses in this connection.

I do not have copies of the material Captain Hynes supplied the Japanese agent, for when Sasaki returned to Japan he took it with him. However, by March 9, 1937, Japanese agents were tersely demanding information from the Los Angeles police official. On this date Captain Hynes got the following request, also on official Consulate of Japan stationery:

Will you be good enough to let me have a list giving the names of the Japanese, and Americans of Japanese parentage, who are suspected of taking active part in the Communistic and Trade Union Movements. Also, please give the particular fields and branches of labor in which they are most interested and in which they take an active part.

By this time the Japanese machine, functioning as “diplomats,” decided to branch out, especially in the important San Francisco Bay area. The Japanese had learned that the Bureau of Criminal Identification, run by Clarence Morrill in Sacramento, California, had a very excellent intelligent service which frequently supplied information to our Federal intelligence services. The Bureau could be an important contact. So on March 25, 1937, Kaoru Nakashima, again on official stationery of the Consulate of Japan, 22 Battery St., San Francisco, wrote to Morrill in the same vein which had established contact with Hynes. Morrill, however, wouldn’t bite.

On December 17, 1937, both the Japanese Consul Ichiro Ohta and Vice-consul K. Suzuki wrote to James E. Davis, Chief of Police of Los Angeles and Captain Hynes’s superior. The letter contained the following startling sentence:

You were good enough to supply this office with some data pertaining to this matter [lists of names] some time ago, but Vice-consul Sasaki took it with him when he was transferred to Tokyo and we are now in urgent need of this information.

In this sentence the Japanese “diplomats” admitted that they were not collecting general information for their home Government, but were using the material for activities on the West Coast a procedure usually associated with foreign spies.

The documents in my possession would seem to indicate that Italian agents formed a contact with Los Angeles police officials before the Japanese did. The first letter I have is written on official stationery, II Regio Vice Console D’Italia of Los Angeles, at that time located at 205 South Broadway. The present address is 523 West 6th St. The letter is dated December 12, 1934 XIII which means the thirteenth year of Fascism. All official letters are so dated.

The letter, sent by C. Grimaldi, Chancellor of the Italian Consulate, is addressed to Luke M. Lane, a detective lieutenant under Captain Hynes. The letter is so phrased that it can be considered only as orders: “As per your telephone request, enclosed you will find a memorandum on the several reports asked of you.” The memorandum attached to the letter follows:

IOLANDA SALTARINI MODOTTI-mother’s name ASSUNTA MONDINI born July 7, 1901 at Klagenfurt. She is a sister of the famous communists Margherita, Tina and Benvenuto Modotti. She is active in the Communist activities in Los Angeles—Locate her.

The anarchist Frigerio of Geneva, Switzerland, has sent Swiss Francs 1080.00 to MARK MRATCHEY c/o Holtz, 2606 Brooklyn Ave., Los Angeles.

Would like to know something about Mratchey and Holtz.

The anarchist FRIGERIO, residing in Geneva, Switzerland, has received a letter from Los Angeles signed “Rail.”

It is believed that the signature is a fictitious one and that the letter is from 2732 Locheley Place, the Los Angeles communist headquarters. It seems that the letter gives assurance that a one PIETRO GAN-DOLFO is a proved comrade of the party and could be put in charge of any action, even a dangerous one... .

Try to locate him.

The Italian Anarchist Center, located at 216 N. Mathew Street, Los Angeles, is believed to be sending various sums of money to the anarchist Center in Geneva, Switzerland.

Should like to know if it is true.

Los Angeles taxpayers did not know that they were paying for secret service work for a foreign government. The contacts, the requests and the information were kept very confidential. This particular letter was answered by Lieutenant Lane on December 27, 1934, with what information he had been able to get on the persons listed.

At the time Grimaldi was getting such fine assistance from American police officers, the first hue and cry broke about Nazi propaganda and espionage activities in this country. The Ovra (Italian secret police) were fearful lest attention be called to their activities, too, and Grimaldi was quietly recalled to Italy. Another "diplomat," R. Caracciolo, was sent to take his place. I have noticed that "diplomatic" attaches who are busy with activities far removed from what they are supposed to be doing in this country are frequently recalled to avoid scandal in case suspicion has been turned on them.

Caracciolo found an even better contact than Captain Hynes. James E. Davis,* Chief of the Los Angeles police force, was the man to get in touch with, he was told.

[* Davis resigned several months ago following a change in the city administration. He is now with the Douglas Aircraft Co. "to help guard military secrets."]

On April 29, 1937 XV, Caracciolo wrote to Davis on official stationery. The letter contained the caution in underlined capital letters: STRICTLY CONFIDENTIAL. This office [Caracciolo wrote] will greatly appreciate your kindness if, after investigation, you will furnish any information that you may be able to obtain as to the present political activities of the three individuals hereunder named:

REINA EMANUELE of the late Giuseppe and Guggino Marianna, born in S. Stefano Squisquina, province of Agrigento, Italy on July 14, 1884. His present address is 3222 Larga Avenue, Los Angeles.

CHRISTIANI PIETRO of the late Carlo and Carboni Luigia, born May 21, 1869 in Sanazza de' Burgondi (Italy) whose present address is not known but who in the year 1926 lived at 521 New High St.

ROVERO ANGELO, parents unknown, born July 16, 1869 in Montecorvino (Italy) living in Los Angeles but address is unknown.

On July 25, 1937, the Vice-consul, again on official stationery, asked for more information about the political activities of a person living in the United States. The letter follows:

May I ask your kindness to obtain for me whatever information possible concerning the person hereunder named:

Allais Viet Cesare of Pietro and Roni Rosa, born at Condove, Province of Turin, Kingdom of Italy, on 22nd-8th-1888 and a Communist.

Any information you may kindly furnish as to his present political activity will be greatly appreciated and kept strictly confidential.

While Caracciolo was making these requests, he was calling upon American citizens of Italian extraction and threatening them with deportation to Italy if they did not obey II Duce's orders. He told them that he had made arrangements with the State Department to cancel their citizenship papers so they could be deported. He scared the wits out of some of the more ignorant Italians, but others upon whom he tried his tactics complained to Federal officials. While these "diplomatic" activities were under Federal scrutiny, his superiors suddenly hustled him back to Italy.

Captain Hynes, who was in contact with Japanese and Italian agents, was never more than a policeman on the Los Angeles police force though he used the title "Acting Captain of Detectives." His salary was and still is \$200 a month or \$50 a week.

During the period he was in contact with these agents of foreign governments, he was making bank deposits at the Bank of America, Main and Pico Streets, which were much larger than his salary as a policeman.

The earliest letter I have is dated December 12, 1934, but its dictatorial phrasing points to previous contacts. The letter is a request for confidential information. Hynes's bank deposits immediately preceding and immediately following this request are listed below:

On November 26, 1934, there was deposited to the account of Captain Hynes's

wife, Mary E. Hynes, in the Bank of America, the sum of \$515.50.

On December 18, 1934, a few weeks after the letter with the peremptory order "Locate her," there was deposited to the account of Mary E. Hynes the sum of \$375.

The next letter I have is from a Japanese agent. It is dated September i, 1936. During the year 1936, Captain Hynes managed to make some nice deposits in the same bank, but this time to his own account.

On March 20, 1936, he deposited \$1,095.

On April 16, 1936, less than a month later, he deposited \$1,000.

Thereafter at frequent intervals he made deposits, each of which was greater than his monthly salary.

On April 25, 1936, he deposited \$265.50.

On May 8, 1936, he deposited \$390.39.

On May 11, 1936, he deposited \$230.

On May 16, 1936, he deposited \$222.75.

All of which ain't bad for a cop earning \$200 a month.

I called upon both the Japanese and Italian Vice-consuls in Los Angeles. Each assured me, in response to questions, that the function of their consulates was solely to safeguard the interests of their nationals and the local commercial interests of their country.

The two Japanese Vice-consuls who had written the letters had been recalled to Japan, and their place had been taken by Kwan Yoshida, a slight, moon-faced little diplomat who stutters when he becomes slightly upset. Yoshida now has his offices in the Chamber of Commerce Building, 1151 South Broadway, Los Angeles.

I asked him what interest the Japanese diplomatic representatives had in American citizens and the American trade union movement on the West Coast.

“None whatever,” he said, stuttering slightly.

“Perhaps, then, you can explain the letters written from this consulate?”

“I cannot possibly imagine such letters being written,” he said, pressing his thin, bony fingers close together. “You are sure those are the exact words ‘political activities’?”

“Yes, I have the letters.”

“Ah yes.” He lapsed into thought. After a few moments he said:

“As far as the Japanese Government is concerned, we’re not interested in American trade union movements. As for American citizens of Japanese parentage, we hope they are good Americans.”

“Then why did the Consulate ask for confidential information about American citizens?”

“I cannot p-p-possibly imagine.”

“Did you ever get instructions to make inquiries about the political activities of American citizens?”

“I cannot imagine—”

“Did you?”

“No. I cannot think of the circumstances—”

“You keep files of your correspondence, I assume?”

“Oh, yes.”

“Since it is so serious a matter because it involves interference in the internal affairs of the American people and their Government as well as suspicion of espionage, would it not be a good idea to check right now?”

“I am sorry,” he said softly. “I have a very important appointment but I will check. I should like to see those letters.” He leaned forward and took a pencil and pad.

“Where are you staying?” he asked even more softly.

“I have only copies of the letters with me,” I laughed.

“Ah yes,” he said with a hurt look.

The Italian Consulate at 523 West 6th St. in the heart of Los Angeles tried a little blustering at first and then meekly and worriedly passed the buck to the Italian Embassy in Washington.

Grimaldi and Caracciolo had been recalled to Italy and their post assigned to Alfredo Trinchieri, a suave career man.

“What interest does the Italian Government have in the political activities of American citizens of Italian extraction?” I asked after giving him a summary of the letters in my possession.

“How did you get those letters?” he flung at me. “If they were written to the police, how did you get them!”

“That’s another story. What interest does the Italian Government have in the political activities of Americans?”

“Are you going to publish those letters?” he demanded truculently.

“You bet.”

“How can you use such letters? Are they not the property of the person who sent them?”

“Would the Italian Government like to take the matter into an American court and explain from the witness stand what its interests are in the political activities of American citizens?”

He looked steadily at me for a moment and then smiled.

“In American citizens, we have no interest whatever,” he said, changing his tactics. “If they are Italian subjects, we have all interest in them.”

“Including their antifascist political activities?”

“On political matters I must refer you to our Embassy in Washington. I can say nothing.”

“The Embassy handles all political matters?”

“Yes,” he said with a sense of relief.

“Since these letters involving political activities were written from this Consulate, am I to understand that it was done upon instructions from your Embassy?”

“I must really refer you to the Embassy. I can say nothing about political matters.”

“These letters were written over a period of several years. Do your duties as Consul include seeking confidential information about the political activities of Americans?”

“Please ask the Embassy,” he repeated.

“Would you interpret these letters as interfering in the internal affairs of the American people?”

“Please!” he exclaimed a bit frantically. “I am a small official. Please ask the Embassy in Washington.”

I made several inquiries. The Embassies had nothing to say.

But, while “diplomatic” representatives were keeping track of opponents of fascism, other secret agents were busy caching war materials and laying plans against the security of this country.

Chapter 4

GHOST SHIPS ON THE PACIFIC

NAZI, Japanese and Italian agents have made and are making intensive efforts to get more than a foothold in Mexico.* This land, with its vast stretches of sparsely inhabited deserts, mountains and shore line, is a particularly happy hunting ground for Japanese agents. Here they can function within a figurative stone's throw of San Diego with little worry, since most of the underpaid Mexican officials are easily amenable to a little financial assistance.

[* See Secret Armies, Chapter IV.]

A little over two hundred miles south of Nogales, Arizona, is Guaymas, a little Mexican fishing village on the Gulf of California. American sportsmen, eager for a few days with rod and reel, are always going there, and usually pay little attention to the life in this sleepy semitropical town of some eight thousand population.

Occasionally Americans will wander down Avenida XIV, the town's unpaved and dusty main thoroughfare. Few of them ever notice the faded sign "Soderia Guaymense" hanging over the one-story house at Number 323. If, in passing, they happened to look in and see a little spectacled Japanese working hard at bottling soda water, they would certainly never suspect that F. Matsumiya, the unobtrusive little proprietor who looks with sleepy eyes, directs some of the far-flung Japanese secret activities in the Western Hemisphere.

It is difficult to tell Matsumiya's age. He might be in his late thirties or late fifties. The step of the short, darkskinned soda bottler is that of a young man, but the gray in his mustache and shiny black hair makes him look considerably older.

When he notices your shadow in the doorway, he straightens up. His feet come together, his shoulders are thrown back and you have a strange feeling that the little man in overalls is unconsciously standing at attention like a soldier.

Matsumiya has lived in this village, used by the Japanese fishing fleet as one of their chief ports, for some nine years, and though the company which owns most

of the ships has an office in Guaymas, the masters of new boats entering this port report to him first and then to the company office.

When the Minato Maru, for instance, one of a fleet of powerful fishing boats sent from Japan to the Americas, anchored in Guaymas, her captain first called upon the little soda bottler. There is no record of the captain ever having been in Guaymas before, but after he got on shore, he strolled along the quay until he came to Avenida XIV and walked up the street as if thoroughly familiar with it. He went directly to the building with the sign "Soderia Guaymense" over it, and not until two hours later did he report to the offices of Nippon Suisan Kaisha, owners of the boat.

The Kaisha, one of the largest companies in Japan, has a big fleet of boats operating off the west coast of the Americas. About 80 per cent of its stock is owned by the Japanese Government, and a good portion of this is traceable directly to the Emperor. Kaisha functions as part and parcel of the regime and its directorate is interlocked with the Mitsui interests, which have their hands in the armament industry.

In charge of the Kaisha offices in Guaymas is Captain G. Bravo, a native Mexican who has worked with the Japanese for two years. When Bravo was placed in charge of the local office, a Japanese engineer named Alfredo Edisioko came to Guaymas to work for the Mexican. Bravo handles the routine work, cultivates the local officials and consults with Edisioko, who in turn does little without first calling upon the sleepy-eyed soda bottler.

Matsumiya has no Mexican friends and does not encourage visitors or participate in the social life of the few Japanese living in Guaymas and its neighboring town of Empalme. The Japanese never call upon him in groups; he receives them one or two at a time and they don't stay long.

But if you want to talk things over with the captain of a Japanese boat, or if you want to pull wires for permission to establish a Japanese colony near the American border, you go to Edisioko who then visits the soda bottler. If there is a particularly knotty problem or mysterious visits by a Japanese mission, the little soda bottler telephones or telegraphs to S. Imamura, in charge of the Kaisha headquarters in Mexico City. The telegrams are usually very brief and very polite. They announce that Soand-S-o will arrive on a certain day and request that Imamura see him; and Imamura has been known to postpone appointments

with high Mexican officials to meet people the little soda bottler courteously suggested he see.

Many of the Japanese fishing boats operating out of American and Mexican ports are former English coast guard ships. But when they were reconditioned in Japan, the gun emplacements for g-inch cannons and the machine-gun stands originally built into the vessels were not removed. Other boats, built for fishing in American waters, are constructed with gun emplacements and machine-gun stands. The Japanese fishing fleet is the only one in the world which finds it necessary to adopt this peculiar construction. These boats could mount small cannon and machine guns in a few hours and become effective and dangerous raiders capable of attacking and sinking enemy merchant vessels.

In size they range from a little less than two thousand tons to trawlers of eighty tons or less all of them capable of being turned into war vessels. Just how many of these wasp-like small boats are darting about on the Pacific is unknown, except probably to the Japanese high naval command. They are everywhere presumably fishing, but often putting into port after several months at sea with not a fish in the bin.

Both the large and small boats, with cruising ranges up to six thousand miles, carry extraordinary equipment including powerful sending and receiving radios with permanent operators on board. The bins for storing the catch are unusually large and could be used in time of war to transport munitions, mines and torpedoes for large war vessels far from their home base.

The hulls of the large boats are constructed of the same kind of tempered steel used in warships. All of them have Diesel motors and the larger ones, in addition to radio, have overseas telephones with which they communicate with one another and Japan. Ship-to-shore telephones are the last word in the shipping world. Not even all large passenger vessels have them.

Besides catching fish, crews on these boats are constantly taking soundings of harbors, bays and shore lines. This activity goes on day and night, and as each area is sounded, photographs are taken of the shore lines with expensive Leica or Contax cameras owned by these poverty-stricken fishermen. At night, photographs are taken with box-like infra-red cameras which bring everything out as clearly as in daylight.

Their favorite ports outside of the United States are invariably near American strategic defense centers like San Diego and the Canal Zone area.

Guaymas is one of them, with Turtle Bay on the west coast of Lower California and Mazatlan on the west coast of Mexico running close seconds. The locations of these ports are significant. The Gulf of California is large enough to shelter all the fleets in the world. If the reader will look at the map, he will notice that the tips of Lower California and Mazatlan are almost directly across the Gulf from one another. If the tip of Lower California and the port of Mazatlan were properly fortified, this large body of water could be turned into a private lake which could be used as a base to operate against the United States. Guaymas is in the center of this enormous harbor.

Turtle Bay is a little over two hundred miles south of San Diego and now contains a Japanese colony from which alien Japanese are recruited for fishing boats flying the American flag. It is the nearest large base the Japanese have to San Diego.

In *Secret Armies* I named ten boats operating out of American ports, manned by Japanese but flying the American flag. Immediately after the book was published, some of the boats were transferred from one company to another. The Southern Commercial Company of San Diego, which owned several, transferred some to the Franco Italian Company which owned others, and vice versa.

The list, as originally published, was Alert, Asama, Columbus, Flying Cloud, Magellan, Oipango, San Lucas, Santa Margarita, Taiyo, Wesgate.

Since then, the Flying Cloud, Oipango and Alert have been registered under the Japanese flag. The transferences, however, did not stop their suspicious activities. For instance, the American fleet in the San Pedro and San Diego area was scheduled to pull out for maneuvers early in January, 1939. During the preceding few months most fishing boats laid up because of an oversupply of tuna on the market. One month before the fleet sailed, however, the Santa Margarita and Magellan nosed out of San Pedro to go "fishing."

Neither of these boats went near the fishing grounds. Where they went, I don't know. The only record I have of their whereabouts is dated December 8, 1938, when the Santa Margarita put into Panama for repairs and vanished again two days later. She had no fish on board even for eating.

Half the crews on these boats flying the American flag are alien Japanese recruited from Turtle Bay, and the other half are Japanese born in the United States. Most of these boats usually leave the United States for Turtle Bay with a skeleton crew and get the rest of the crew down there.

Once an alien Japanese is on a boat, there is no restriction whatever to prevent his going ashore when his ship anchors in an American port. A Japanese or any other alien seaman does not even need an identification card. The usually strict immigration laws are very lax on alien seamen. The law provides that the master of the ship report, within sixty days, any alien seaman who leaves the vessel. An alien Japanese could leave a fishing boat in San Diego, for instance, go where he pleases for fifty-nine days and return to his boat without the master being required to report his absence.

Japanese secret agents can land in the United States as fishermen, attend to their work and return to their boats without even a record of their having entered the United States. If the captain does not wish to report any such "seaman" even if he doesn't show up after sixty days, no one is the wiser unless the secret agent is picked up. Or an agent can enter on a visitor's visa for six months and probably get another six-month extension with no one checking on his activities during his stay.

Most agents, however, prefer "the seamen route" as it is known, because they can use the facilities of the fishing fleet to carry out military work. Fishing boats allow them freedom to travel through the fields in which they are interested.

The boats which usually recruit crews in Turtle Bay are owned by the Southern Commercial Company, dominated by an alien Japanese named T. Abbe. Early in January, 1939, shortly after the American fleet pulled out, Abbe left suddenly for Japan. As soon as he returned, two members of the crew of the Wesgate (owned by the West Gate Co.) left for Japan. Two or three members of all these boats go to Japan every year for no apparent business reason. The activities of Mr. Abbe and these boats flying the American flag, however, do not compare with the mystery of the vanishing crews.

It all began when a Mexican fisherman in one of the Guaymas bars told what he thought was a funny story. It seems that one of the local charmers in the village met one of the Japanese fishermen off the Taiyo No. 3, which was in port for a few days. She found him a likely lad and after a few days' pleasant association,

the young fisherman left when his boat put to sea. He urged her to meet him again as soon as the boat returned. Two weeks later, the beauty heard that the Taiyo No. 3 was in port again, but the boy friend wasn't around.

"Nobody looked the same," the fisherman laughed. "They must have changed crews some place. She was pretty upset about it. But a fisherman's a sailor and a sailor's a sailor and girls oughtn't to be expecting too much."

I made some inquiries as to whether the Taiyo No. 5 had put into any port during those two weeks and found she had not.

The significance of this was rather startling. The first possibility was that crews are being changed on the high seas, but every Japanese boat fishing in Mexican waters is supposed to have at least one Mexican fisherman on board. So far as I could learn, not one of these fishermen, drunk or sober, had ever intimated that crews were changed in midocean.

The second possibility was fantastic, but upon a little reflection, not so fantastic as Nazi and Italian secret agents building hundreds of steel and concrete fortresses right in the heart of France's industrial cities.* The mystery of the vanishing crews could be explained by the existence of ghost ships sailing the Pacific, constantly in touch with their identical ships by wireless so that the two would never be in any port at the same time. The Japanese fishing boats are always crackling wireless messages in code to one another, and no one has ever been able to solve that code so far as I could learn. Further inquiries produced more mystery as to the actual identities of the ships.

[* See Secret Armies, Chapter III.]

The clearance papers of a number of Japanese boats using Guaymas and San Diego, San Pedro and Los Angeles as ports, showed changes of command between periods insufficient for the boat to go to Japan and return. There was no record of these boats putting into any port during some of these periods, and some of the commanders were new names to the area.

Let me list some of the ships, their home ports and commanders:

Minato Maru, flies flag of Tokyo; commanded by Cap tain Yukatsu Okimoto.

Minowo Maru, flies flag of Tobata; commanded by Captain Kichiyuke

Tokushima.

Bansiu Maru No. 15, flies flag of Shimonoseki; commanded by Captain Michi Kawakami.

Sendai Maru, flies flag of Tobata; commanded by Captain Hiroji Yamauchi.

These four vessels, with hulls made of tempered steel and with the most modern equipment in the world, have been haunting Los Angeles, San Diego, San Pedro and the Mexican coast.

The Minato Maru, presumably commanded by Captain F. Fukino, left Japan on November 30, 1935, with a crew of eight officers and twenty-eight men. She flew the flag of Tobata, instead of Tokyo which she is now flying, although Tobata is still her home port. Her destination was San Pedro, California, but she took a strange course to get there. On December 20, 1935, she arrived at Balboa, the Panama Canal Zone, thousands of miles from her destination. She looked over the place for two days, and on December 22, 1935, left for San Pedro. On her way north she stopped off (January 17, 1936) in Salina Cruz, Mexico. On March 14, after another stop in Guaymas when the commander called upon the soda bottler, she finally pulled into San Pedro.

When the boat arrived in San Pedro, the captain was Suekichi Imamura.

Four days after she entered San Pedro, she left for Mexico. From then on, about every four months, she would appear in San Pedro, remain a few days and leave again for Mexico.

On September 19, 1937, when she left for Mazatlan, the captain was Yukio Yamashita.

Early in December, 1937, when she anchored again in San Pedro, the captain was Yukatsu Okamoto.

During these periods she had not been to Japan and there is no record in any port in North, Central or South America to show that commands had been changed anywhere.

When this boat left Japan, she was flying the flag of Tobata. When she entered Salina Cruz, she was flying the flag of Tokyo, and when she entered Guaymas,

she was flying the flag of Shimonoseki.

Let us consider the Minowo Maru, a sister ship of the Minato Maru.

This vessel arrived in Los Angeles on August 4, 1936, from Tobata. Every few months thereafter she would appear in Los Angeles Harbor with new commanders and new crews. She had not been back to Japan and there was no record in any port in the Americas of any change of commands.

On September 16, 1938, for instance, her master was Captain Kichiyuke Tokushima. On February 4, 1939, when she left for Los Angeles, her home port and the flag she was flying was Tobata. When I saw her in the harbor at Guaymas, her home was Kobe!

On September 3, 1937, the Sendai Maru, another sister ship, flying the flag of Tobata, left Los Angeles commanded by Captain Hiroji Yamauchi.

On October 27, 1937, when she popped into Los Angeles again, Y. Okamoto was in command. Later, when she anchored in Mazatlan (June 16, 1938), Captain Yamauchi was in command again. She had not been to Japan during this period and there is no record in any port in the Americas of changes in command of this ship.

The Bansiu Maru No. 15, commanded by Captain Michi Kawakami, flying the flag of Shimonoseki, arrived at San Pedro on August 27, 1938, towing six small trawlers: Taiyo Maru i, 2, 3, 5, 6 and 7.

When the Bansiu Maru No. 15 put into Guaymas, the command had changed. Kawakami was commander of the Taiyo Maru No. 1.

A few weeks later the Taiyo Maru No. i was commanded by Captain Aidjaku Fujiyama, who had formerly commanded the Taiyo No. 2.

When the Taiyo No. 2 returned to Guaymas after four days at sea, her new skipper was Captain Eidji Tani an entirely new name for West Coast Japanese fishing captains.

The Taiyo Maru No. 3 had been commanded by Captain Sekan Taba. After ten days at sea, she returned to Guaymas. Her master was Captain Yaezo Fukugawa, also a new name for this region.

The Taiyo No. 5 had been commanded by Captain Tetsutaro Nomura. After a couple of weeks on the Pacific, the commander was Captain Eidji Kataguiki, another new name, and Captain Nomura popped into Mazatlan commanding the Taiyo No. 7.

The Taiyo No. 6 had been commanded by Captain Kukegwa. After a few days at sea her commander became Captain Sekan Taba, who had been commander of the Choyo No. 3.

This persistent changing of commands, the vanishing of entire crews and the mysterious soundings, plumbings, measurings, chartings and photographing these Japanese fishermen are always busy with, makes no sense unless viewed as long-range military preparations. Seen in this light, their activities and the ceaseless efforts to establish themselves within striking distance of strategic American defense centers, assume a very grave aspect.

From a military viewpoint it would be wise for the Japanese Navy to have as many officers personally familiar with the harbors, bays and shoreline as possible, and shifting officers and crews from port to port has the added value of checking the measurements which their predecessors took.

All of these boats have been so constructed that even to the trained eye they appear to be very low in the water. Actually each has three decks. On the second of these decks, located almost in the center of the "mother ships," are refrigeration tanks to freeze the fish catch. On either side of the refrigeration plant are compartments some seventy-five feet long and twenty feet wide, which are locked and carefully guarded. There is only one door to each compartment and only two keys, one kept by the captain and the other by the first mate.

The next time one of the ships, especially the Minowo Maru, comes into an American port, it might be a good idea for the American Naval Intelligence to compel the master to open these doors, even if he wants to seal them while in port. They will find the locked area on the port side divided into twenty-four neat compartments, each large enough to hold a mine. The other side is so constructed that it can carry large quantities of small arms and munitions. They might even find the compartments filled.

Chapter 5

SALT-WATER CHEMISTRY

TERMINAL ISLAND at San Pedro, California, is used by Japanese fishermen as one of their chief headquarters in American waters. Many of the fishermen are Japanese-Americans, born in the United States. Others are Japanese, whose boats put into the harbor for repairs and refueling as they have done for many years during their ceaseless cruising along the West Coast of the Americas from Seattle to the Panama Canal. The fishermen are an accepted fixture of the Island and few pay much attention to them.

The Japanese are always puttering around their boats, rowing back and forth, taking soundings of the harbor to the great amusement of those who see them. Oceanographic charts prepared by the United States Government give the depths accurately and record all reefs, submerged sandbanks and other menaces to navigation; so the Japanese checking and rechecking has become a standard joke. The wily orientals have a spy phobia, everyone concluded, and let it go at that.

When two of the Japanese fishermen whose boat had put into port for repairs carefully loaded a large drum like those commonly used to carry oil, onto a rowboat, no more attention was given their act than usual. It was broad daylight and their movements were quite open and unhurried.

The drum protruded from the rowboat and the casual observer could see that the ends of the drum were painted yellow with the initials "A.H." stenciled on the paint. The fishermen rowed toward the jetty which had a large iron cable imbedded in it. Again quite openly, as if they were getting rid of some slops, they tipped the drum and poured the contents upon the incoming tide, after which they let the drum fill with sea water until it sank.

That was on February 19, 1938.

On the morning of February 20, 1938, the end of the large iron cable swung back and forth with the waves. Part of the cable was gone as if it had been dissolved, and the part dangling from the jetty showed signs of disintegration. Inspectors from the Fish and Game Commission who found the swaying cable end

concluded that it had been defective.

Near the end of October, 1937, a freighter in the molasses trade plying between Los Angeles and the Hawaiian Islands was unloading her cargo at her Hawaiian dock. While the boat was anchored, one of the Taiyo Marus, whose hulls are made of timber, put into port and anchored near the freighter. So many Taiyo boats are constantly wandering around the Pacific and putting into some port for a few hours or a few days that they receive little special attention. Later, when efforts were made to recollect her number, those who noticed her couldn't agree. Some thought she was the Taiyo Maru No. 1, others that her number was 3, 5 or 7.

Sailors on board the freighter saw the Japanese emptying drums upon the incoming tide. They assumed it was slops or stuff from the engine room. The drums were large with ends painted yellow, but the freighter was too far away for her crew to see if anything was stenciled on the yellow ends. By morning the fishing trawler was gone.

As the freighter's cargo was unloaded, her water line rose. By nightfall of the second day she had risen fourteen inches out of the water. A sailor about to go on board first noticed the newly-exposed part of the hull. The vessel's painted steel plates seemed to have been gnawed by some undersea monster. That part of the hull which had been under water when she docked had been eaten away to a depth of slightly more than half an inch.

There was a hurried examination. As nearly as the master and the shipping line officials could determine, the hull had been eaten by acid. It was obvious that if it had not been discovered in time, the hull would, at the same rate of corrosion, have been eaten through within forty-eight hours. The section below the water line would have dropped off, the freighter would have sunk either at her dock or in midocean and no one would have known what happened.

Neither the master nor the shipowners had ever seen anything like it. Sailors remembered the Japanese fishing boat and the pouring of a liquid from drums which looked as if they might carry oil. But there was no sign of oil upon the water. There was no reason, if the contents of the drums was the cause of the corrosion, why the Japanese would want to sink this freighter unless they picked upon it at random to test a chemical which could be an extraordinary engine of war. It was too dangerous for the boat to sail and she was put in drydock for

repairs. The company hushed up the whole episode; it was too inexplicable, too mysterious; and they feared that if it became known, seamen would hesitate to sail upon her as a “marked ship.”

About the middle of June, 1937, the German freighter Edna passed through the Panama Canal. Her water line was very low from a heavy “cargo of oil.” The cargo was sealed in drums the ends of which were painted yellow with the initials “A.H.” stenciled upon the paint. Since the cargo was sealed and she was just passing through, Canal officials paid no particular attention to her.

The Edna proceeded north to Puntarenas in Costa Rica where numerous Japanese fishing boats make their headquarters. Three of the Japanese fishing fleet, all of them small Taiyo boats owned by Nippon Suisan Kaisha, put to sea to meet her. Whether or not these trawlers got part of the Edna’s cargo I do not know. I know only that the Taiyo boats were seen to meet the German freighter.

The Edna proceeded north to Ensenada on the West Coast of Lower California where Japanese fishing boats operating out of Los Angeles, San Diego and San Pedro frequently pick up crews. They usually leave an American port with a skeleton crew and pick up the rest at Ensenada or Turtle Bay, a couple of hundred miles farther south. The Southern Commercial Co. of San Diego uses Ensenada almost exclusively to pick up crews for its boats.

Some twenty miles west of Ensenada the Edna was met by the Flying Cloud, a fishing boat operating out of San Diego and controlled by the Southern Commercial Co.

The drums carried by the Nazi boat were transferred on the high seas to the large bin of the Flying Cloud, built to hold enormous quantities of fish. To Tsuida, an American-born Japanese who was registered as the boat’s owner, marched about the deck issuing sharp orders while German sailors kept handing the drums to the Japanese fishermen. When the bin was full, more drums were placed on the trawler’s deck until she could hold no more.

There was a short exchange of courtesies between the two masters, and the Edna proceeded north. The Flying Cloud headed southeast to a point a little south of Ensenada where two Italians, shortly before, had bought a flour mill which had no flour in it; nor had any attempt been made to get business for the mill. All it had was a group of six swarthy and tough-looking customers who hung around

as if waiting for something.

Five trucks belonging to Japanese farmers who worked land around Ensenada and directly south of the town, awaited the Flying Cloud. The drums were removed during the night and taken to the flour mill where they were stored. A day and night guard was established. Two men, each with automatics, patrolled the mill on four-hour shifts. (I am not naming the flour mill nor the owners because the mill burned shortly after this, and it would be extremely difficult to prove that the owners acted as guardians over the drums were this charge to be challenged. The United States Naval Intelligence, however, has the location, names and samples of the contents of the drums.)

These “drums of oil,” brought through the Panama Canal by Nazi boats and transferred on the high seas to Japanese “fishing boats,” contained one of the most powerful of Nazi war inventions. It is a chemical capable of sinking warships as well as freighters and these drums are being stored secretly by agents of aggressor countries a little south of San Diego. Whether similar storage is being made in San Francisco, Portland and Seattle, I have not been able to establish definitely; but one Nazi boat, the Van Couver, which was mysteriously bombed and sunk while anchored in Oakland, California, harbor had fifty-three empty drums on board. She did not have them when she passed through the Canal on her way from Hamburg to San Francisco, but she stopped overnight off the Costa Rica fishing grounds.

These “drums of oil” brought from Germany contain an acid which violently attacks and rapidly corrodes any iron or steel in salt water. As soon as the chemical is poured upon salt water, the liquid forms minute bubbles just under the surface, spreads and vanishes instantly so that it cannot be seen. It has the property of covering iron and steel like a film as soon as it comes in contact with it so that it is not entirely washed away by movement of the water.

How long a ship can remain afloat after the chemical attacks it, depends upon the quantity poured upon the water and how much of the chemical is carried away by the tide. The Japanese estimate that it would take almost a week before it could sink a warship, but the corrosion can eat through enough of the steel plates within two or three days to make the vessel unseaworthy which, in time of war, is as good as disabling a warship.

There are reasons to suspect that these drums are now being stored not only in

Mexican territory but in American territory and, ever since the burning of the flour mill near Ensenada, that they are being buried on land and hidden under water.

On the basis of the little I have been able to learn, I would suggest, even if it is an expensive procedure, that the United States Navy dredge the area around Terminal Island to a depth of fifty feet. I would suggest that the dredging begin with the area facing San Pedro. My reasons follow:

Japanese fishing boats have brought a lot of buoys to Terminal Island. These buoys have disappeared.

Japanese fishermen have been seen to measure heavy ropes and cut them at precisely forty-three feet. These lengths of rope have disappeared.

There is reason to believe that Japanese fishermen have sunk these well-sealed drums containing the chemicals in forty-five-foot depths around Terminal Island. Attached to each drum is a forty-three-foot rope hooked with a buoy which floats two feet under the surface and is not visible unless you know precisely where to look for it. These drums can be picked up with grappling irons whenever the Japanese are ready, the tops of the drums staved in, the contents poured upon the water and the drums filled with sea water so they sink, leaving no trace.

All of the sounding, checking and rechecking of the harbors and waters by crews of the Japanese fishing boats, which have so amused the country, are not to gauge the depths or to seek submerged sand bars and reefs. The persistent soundings are apparently checks on the buried drums and perhaps other war supplies.

I knew that though the Flying Cloud was registered as owned by the Captain, she really operated under the control of the Southern Commercial Co. I knew also that Abbe, owner of the company, had as many strange callers as his friend, So Yasahura, proprietor of the bar and bawdy house in Tia Juana.* Abbe calls upon Yasahura, and Abbe in turn is frequently visited by Japanese missions on the way to call upon Yasahura. So I dropped in on Abbe.

[* See following chapter.]

The Southern Commercial Co. offices are in an unpainted wooden building at

the foot of Sampson St. in San Diego. The building looms out of a desolate waterfront in a sea of gray sand blown into mounds by the ocean winds. The green shingled roof and the green painted window sills give it the appearance of a hastily erected shack. For a shipping company dealing in international trade and owning a number of boats, it is far from impressive.

An open stairway nailed to the weather-beaten clapboards of the building led to the company's offices—a large barn-like room with a couple of smaller rooms whose windows looked out upon the harbor where American cruisers were anchored.

A heavy-set, keen-eyed Japanese with a broad face and sunken cheeks who, I learned, was Miura, one of Abbe's associates, was leaning on the counter separating the office from the head of the stairs when I walked in. A little wooden gate barred the visitor from the desks in the center of the main room off which was Abbe's private office.

When I gave my name and said I wanted to see Abbe for an interview, Miura sized me up with a quick glance.

"Ah yes," he said. "Come in, please."

Abbe, a wiry little man in his middle fifties, came out and ushered me into his office with the graciousness of one receiving an honored guest.

"Ah," he said in a choppy, sing-song voice. "You published things about my company. Where you get information?"

"I didn't have all the information," I said, ignoring his question, "so I came down here to talk with you."

"Ah" he shrugged his shoulders and stretched thin, wiry hands upon his desk. Throughout the interview he frequently prefaced his answer with a long drawn-out "Ah" as if he sought that fraction of a second in which to think over the question.

"I want to know who owns the Southern Commercial Co.," I began.

"I own," he said simply. "At present operate five boats the Alert, Osprey, Western Enterprise, Vantuna and andante Flying Cloud—"

“The Flying Cloud,” I repeated, making some notes. It was difficult at times to understand his pronunciation and I had to ask him to spell the names of his boats, which he did with some difficulty, though he has been in the United States over thirty years.

“The Flying Cloud,” he said in his high voice. “It is really owned by the crew but want us to handle all matters for them bookkeeping and things like that.”

“Are these boats American or Japanese registry?”

“Vantunashe is American registry. Other four Japanese registry.”

“Do you fly the Japanese or the American flag?”

“Ah” he examined his fingernails carefully. “Ah I don’t know. Sometimes. Maybe sometimes when come into port fly American flag. At sea hang up Japanese flag.”

“I don’t get it. Why do you fly the American flag if they’re Japanese boats?”

“Ah the Captain. They in command. The Captain ah, yes, they in command.”

That was as much as I could get out of that though I tried three or four different ways.

“Are your crews American or Japanese?”

“Ah” he folded his arms and leaned back. “Some crews American some Japanese. Greater proportion Japanese. Naturally.”

“Where do you get your crews?”

“Some here. Some in Mexico Ensenada—”

“And Turtle Bay?”

He shot me a quick glance and smiled faintly.

“Turtle Bay no place to live—can’t get fresh water. Never pick up crew in Turtle Bay all crews come to Ensenada.”

“Your fishing boats have pretty long cruising ranges, haven’t they?”

“Maybe to Costa Rica about fifteen hundred miles one way.”

“My understanding is that they can cruise three thousand miles”

“So people say. So people say,” he said blandly.

“Well, is it true?”

“Maybe make a little more than fifteen hundred miles. Maybe. I don’t know.”

“Your fishing bins are pretty big, aren’t they?”

“Big? Yes. Naturally. To catch fish.”

“I know they’re for fish. But big bins like those on your ships they could also be used to carry other things let us say, mines?”

“Mines?” he said sharply. “What you mean mines? Not make boat for such purpose. Boat open any time for public inspection. Boats American made.”

He seemed anxious to explain that they couldn’t possibly carry anything except fish, and in his anxiety his pronunciation became strangely more distinct. I could understand him without any difficulty.

“Also no chance to carry any other thing,” he continued. “Navy patrol boats. Immigration. Customs. Often inspect boat.”

“I don’t mean that your boats would bring mines into an American harbor. But they could get mines at sea, or other material, and land them, say, on the Mexican coast?”

“Boats not built for that,” he insisted. “I never think of such thing.”

“What about the Flying Cloud? Back in 1937 she picked up some ‘oil drums’ from the German ship Edna. The drums contained a chemical capable of eating through iron and steel hulls of battleships”

“Ah” he said with a slight wave of a hand. “Such a story it is for kids”

Miura, who had been sitting at his desk in the other room fumbling through papers but obviously concentrating upon our interview, rose from his chair and strolled over to lean against the door to Abbe's office. He smiled broadly.

"At that time Flying Cloud owned by Tsuida," continued Abbe. "He is now captain of Wesgate but never took drums from German boat. Captain of Flying Cloud is now G. Ozawa—"

"What's the name of the captain of the Alert?" I asked.

"Alert ah " he put a lean forefinger to his lips in thought. Finally he turned to his partner and said something in Japanese.

"C. Ueno," said Miura.

I had a sudden feeling that the owner of the boats didn't know the names of his own captains and I continued:

"The Osprey?"

"Ah" said Abbe again.

"I. Fujimoto," said his associate.

"And Western Enterprise?"

Abbe smiled, frowned and again looked at his associate.

"T. Matsubara," said Miura.

"Isn't it rather odd that the owner of a fishing company with only five boats doesn't know the names of the captains to whom he entrusts his property?" I asked.

"Ah," said Abbe, shrugging his shoulders gently. "Sometimes captains changed. I was away I was in Japan. My father, he was not well. Perhaps the captains changed around."

"That is crazy story," said Miura, coming back to the drums of oil.

"Yes," said Abbe. "If such powerful chemical, nobody build battleships."

He dismissed the whole thing lightly with a delicate wave of a hand and a tolerant smile.

“Did you ever meet So Yasahura?”

“Ah” he thought a moment. “Yes. Once I meet him. Last year I think. I don’t know”

“About early June, 1937?”

“Ah” he closed his eyes as if trying to recollect. “I think not,” he said. “But maybe.”

“How did you happen to meet him?”

“Japanese consul in Tia Juana introduced.”

“According to my information the drums were landed south of Ensenada by the Flying Cloud and stored in a mill owned by two Italians”

“Ah-” said Abbe.

“Ah-” said Miura.

“I never heard nothing,” said Abbe. “This is first time I hear it. No flour mill down there.”

“I don’t believe I said it was stored in a flour mill,” I said gently. “What made you think it was a flour mill?”

Abbe shot a quick glance at me.

“Ah somebody tell me something about this foolish story. I think they must say flour mill”

“Yes,” interrupted the partner. “Somebody I hear this foolish story. I think they tell me flour mill. I tell Mr. Abbe.”

“Yes,” said Abbe blandly. “Yes. Now I remember. That where I hear. I remember now. My partner he tell me flour mill.”

Chapter 6

TIA JUANA'S RED MILL

SHORTLY AFTER ELEVEN O'CLOCK on the morning of March 28, 1939, two automobiles drove to the foot of the Nippon Yusen Kaisha docks in San Pedro, California. The cars carried license plates 63^85 issued to a Japanese named Tokahashi and plates 63N888 issued to another Japanese named Matsumoto.

The drivers parked their cars and sat staring at the faint speck of a ship visible on the horizon. By one o'clock, the awaited Japanese naval oil tanker Shiriya, her bow washed by spray from the choppy sea, dropped anchor. She had left Japan three weeks earlier, made one brief stop at Hawaii and proceeded to San Pedro for a cargo of oil, destined, the American authorities were assured, for Japan.

For the benefit of American navy officials who okay the Shiriya's oil cargoes, the tanker does not take the oil to Japan. The vessel calls at San Pedro every six to eight weeks where she loads American oil and then departs for prearranged meeting places with other boats on the high seas. The oil which is supposed to go to Japan is transferred to these boats.

The tanker is accredited to the Japanese navy which eliminates the requirement of signing clearance papers giving the port to which she is sailing. As a navy vessel she and her officers are accorded the same treatment, as is the international custom, that would be accorded a visiting warship. Japanese diplomatic authorities simply notify American officials that she is coming into Wilmington, the Los Angeles waterfront area which includes San Pedro, and that she will take on a cargo of oil for Tokoyama, the Japanese fuel base in the inland sea near Kure, the largest of the Japanese naval stations.

When the Shiriya leaves Wilmington, her course is set for Japan; but less than a hundred miles off the American coast she changes the course. Once the Shiriya headed for the Mandated Islands, where Japan will not permit foreigners to get within observation distance, much less land. The Mandated Islands have been dotted with secret fortifications in violation of Japan's express agreement not to fortify them. On other occasions the Shiriya has boldly charted her course southward down the coast of Lower California.

Some six months ago, after taking on a cargo of oil at San Pedro, the Shiriya's wireless began crackling before she was even out of sight of land. She was met on the high seas at a point some eighty miles south of Ensenada and some thirty miles west of the Lower California coast by the Japanese fishing boat Flying Cloud, which proudly displayed the American flag from her masts. Much of the oil was transferred to the fishing boat which promptly steered a course toward the deserted coast line of Lower California where there are scattered colonies of Japanese "fishermen." After part of the cargo had been transferred, the Shiriya continued southward. What boat she met or port she put into after meeting the Flying Cloud, I do not know. But at no time since she has been loading up on American oil has she ever discharged a single cargo at Tokoyama or any other Japanese port.

The captain and six officers of the oil tanker, smartly dressed in their uniforms, came ashore immediately after anchoring. The chief officer carried a brief case in his hand while he went through the formality of custom and immigration inspection. If the customs men had understood Japanese, they might not have permitted the papers in the brief case to pass, for Japan has taken a leaf from the Nazi espionage service in the United States and is now using couriers for particularly important instructions sent to their agents operating in the United States. The captain, for the future guidance of the customs men, is in charge of this courier service. The brief case he carried with instructions that it be personally delivered immediately upon landing to the Japanese Consulate in Los Angeles, contained orders to Japanese agents on the West Coast. The Japanese Consulate in Los Angeles is unlike the consulates of other foreign powers which are under the control of their Embassies in Washington. The Los Angeles Consulate is responsible directly to the Foreign Office in Tokyo and receives instructions and sends its reports directly to Japan.

Courier service between Japan and her agents in the United States was adopted upon German advice after the Rome-Berlin-Tokyo Axis was formed. The Nazis place Gestapo agents as employees on German ships so that their regular crossings to the United States will not attract attention. The Japanese use the masters of vessels which are customarily above being searched. To search the captain of a navy oil tanker would differ little from searching the captain of a Japanese warship calling at an American port.

Immediately upon landing the captain went directly, as if prearranged by wireless, to a car unobtrusively waiting in front of the Kaisha offices. The other

six officers went to the two parked cars. All were in so great a hurry that they did not stop even for the usual salutes.

The two cars purred swiftly toward San Diego, passed through the city without stopping and continued southward to Tia Juana just across the American border and only a few miles from the San Diego naval and air base.

The rambling wooden buildings along Tia Juana's dusty streets looked like those of a gold-rush town hastily thrown together. One-story shacks housing bars and curio stores line the main street for tourists who think the old roaring hell hole of America's prohibition era is still there. To the left of the main street is a 'dobe and wooden building with a huge windmill above it and the sign Molino Rojo.* The Molino Rojo, nestling in a hollow off the street, is a bar and dance hall attached to a notorious bawdy house. It is operated by a mild-mannered Japanese named So Yasahura. The two cars drove straight to this building.

[* Red Mill.]

The place does not usually get under full swing with its entertainment until the late hours of the evening. Some of the girls hang around the bar in the afternoon, but on this day the only signs of the profession were a few painted faces peering curiously from behind curtained windows of the house adjoining the bar. Yasahura had issued orders that they were not to come out of their cubicles until he notified them.

The women who had been there longest were becoming accustomed to these periodic orders. They knew that those who did not obey were promptly kicked out and driven from the town by the Mexican police with whom the proprietor seemed to have great influence. The swarthy and invariably polite keeper of the brothel was always having strange visitors. Sometimes imposing looking middle-aged men, dressed as if they were going to a diplomatic reception, drove up in very expensive cars, and invariably they bowed low and deferentially to Yasahura. Sometimes the girls heard from Mexicans who had friends in the customs and immigration station at the border that the welldressed, solemn visitors were important Japanese industrialists, bankers and Government officials who had been in the United States on official missions. These visitors did not drink nor did they so much as look at Molino Rojo's girls.

The girls tell that once a few months ago, when they had been ordered to remain

in their cubicles, So Yasahura had posted guards at all entrances to be sure no one disobeyed. That was the day when the bar and dance hall had been scrubbed and the tables at which the girls usually sat with the patrons were arranged together to form a huge banquet table. Spotless white linen, dishes and silverware were brought from So's home on the hill overlooking the Molino Rojo.

A cavalcade of cars came that day and all were filled with Japanese officers in full uniform and men dressed in their diplomatic best. And peering from behind their curtains, the girls saw a vision step gingerly from one of the cars. Her hair was done up in Japanese fashion and she wore a long flowing gown which, as one of the girls expressed it, "Was so beautiful, it jus' knock your god damn eye out." Who the wondrous lady was and why she and her escorts should pay a visit of state to the keeper of a bawdy house I have never learned, but everyone stood stiffly at attention while she was escorted to her seat at the head of the banquet table. Guards were posted all around to keep casual visitors from dropping in.

On the occasion of the visit by the Shiriya's officers, Yasahura had obviously expected them, for early that morning one of the rooms in the girl's pavilion was cleaned, washed and scrubbed. The cubicles on either side of it and those across the hall were ordered vacated. The wide double bed with its soiled red and orange and yellow spread was replaced by a round table and seven chairs.

The battered and torn green window shade on the lone window was replaced with a new one. The girls knew from the signs that people of importance were coming.

So Yasahura received his visitors on the doorstep with the traditional three bows high caste Japanese use to greet one another. The officers returned them, bowing even lower as they held their hats to their breasts, and the one who seemed to be in command of the party and who had never met Yasahura before greeted him with the salutation, "I see you for the first time." (Literally, "For the first time I hang myself upon your honorable eye"; to Japanese it is equivalent to "I'm pleased to meet you.")

The rear of the bar and dance hall was in semi-darkness. The place was deserted. Even the bartender had been instructed to wait in the office until the guests had been escorted to the room prepared for them. The officers glanced casually at the three huge mirrors behind the bar and the dim signs advertising whiskies, beers

and tequila and at the two enlarged photographs of elephantine ladies in supposedly intriguing poses.

Once they were seated around the table, the commanding officer opened the discussion with general comments on the trip across the Pacific, the situation at home and the war in China, emphasizing the increasingly stringent restrictions imposed upon Japan by the shortage of materials.

“It is very regrettable,” he said in a choppy, sing-song voice, “but we must now forego the general use of shoes to conserve leather for our valiant army.”

Though Yasahura knew almost as much of conditions in his native land as his visitor, he knew that with customary politeness the officer was leading up to what he wanted to say.

“Must everyone conform to that?” he asked.

“Yes, even our businessmen must now wear geta [wooden sandals].”

Yasahura shook his head sadly.

“Yes; our limited supply of oil permits us to run only necessary automobiles. Operators can get only small amounts of gasoline each day one gallon to an automobile. When that is consumed, the automobile no longer runs.” He waited a moment while the other officers nodded solemnly, and added, “But oil is necessary for other places, too.”

With this statement they got down to business. The routine of extreme politeness they expect of one another was dropped and they launched into discussions of problems with the sharpness of military men asking for information and issuing orders.

The visitors were particularly interested in the activities of Japanese farmers in Mexico, especially along and near the American border and the possibility of finding new places along the coast line to store greater quantities of Diesel oil for submarines. I had known that Japanese fishing boats, some of them operating out of American ports and flying the American flag, were storing quantities of war supplies somewhere along the vast and seldom visited stretches of deserted Mexican coast. But this secret conference on March 28 was the first indication I had run across that oil was being cached for Japanese submarines.

For almost two hours the group confined itself to the problem of increasing storage facilities and of locating new caching grounds. They discussed storing mines in great detail, agreeing that mines should be stored along the coast of Lower California wherever possible, but at no time during the long conference did any of these agents name a specific location. I don't know whether there is an understanding among them not to name specific places or whether, which I think is more likely, the exact locations are not known even to other agents operating in the same field. Extraordinary precautions are taken to limit that knowledge to as few persons as is humanly possible and thus avoid possible leakage, for the uncovering of Japanese caching grounds not far from American naval bases would seriously affect international relationships.

The need of finding more places to store gasoline for airplanes occupied considerable attention, and the advisability of getting more cooperation from Japanese farmers scattered at strategic points along the coast line and the American border was emphasized. The Japanese farmers invariably pick as spots to eke out their existence the most level land in the region land which can be used as airplane landing fields. The locations are of value only, as one of the officers mentioned, to refuel after a long flight. Modern war planes can easily fly a couple of thousand miles non-stop and with assured oil bases not far from their bombing objective, they can land, refuel, bomb the objective and return to their original base some airport hidden, say, deep in the heart of some Central American republic.

"Our valiant and self-sacrificing compatriots must get more land," one of the officers said bluntly. "Land must be bought by Mexican citizens to avoid the law which prohibits aliens from owning land too close to the border or the coast line. It is to be expected that the Government of Mexico, friendly to the United States, will co-operate with the United States in the event of war. Many of our farms will be taken over by troops perhaps most of them. It is to be expected that suspicion will be turned upon our compatriots."

"There has already been some talk about it," Yasahura volunteered.

The commanding officer shrugged his shoulders. "There is little we can do except to cultivate even more assiduously the friendship of government and local officials in those regions. If they cannot aid us directly, they may at least be able to give warning of proposed searches. Perhaps it will cost a little more, but we must have their friendship." He looked at Yasahura and nodded. "You know

many government officials and Governor Yocupicio of Sonora. He is friendly to us, I believe?"

"Yes, friendly," said Yasahura.

"There are places in California, New Mexico and Arizona which are as wild and deserted as Sonora or Lower California," said the commanding officer.

"Texas is vast," suggested another officer.

"It is more difficult in America," said Yasahura. "They look with suspicion upon all Japanese."

"There are many Mexican farmers on the American side of the border. Mexicans friendly to us can buy land in the United States."

"It will take time," said Yasahura.

It was close to midnight before the conference ended and the host escorted his guests through a side entrance to the cars, with the patiently waiting drivers, for their return to San Pedro that night.

Yasahura returned to the dimly lit and almost deserted bar and dance hall.

"The band may now play," he said to the bartender. "The girls may now come out."

On the way back the officers of the Shiriya stopped at a Los Angeles hotel to confer with a mild-mannered "student" who came to the United States "to learn the English language" and this brings us to the strange inhabitants of the Miyako Hotel.

Chapter 7

JAPANESE “STUDENTS”

A FAINT RED LIGHT glowed over the wash basin in K. Yamakashi's room at the Miyako Hotel in Los Angeles when a woman opened the door with a gay, cheerful greeting. The Japanese photographer was standing under the light peering at a developed print and in the fleeting glimpse she caught of it from the light through the open door she saw that it was not a photograph. There were lines on it, many lines. It was a blueprint of something.

She had suspected that his habit of taking snapshots might hide some other activity, but she had never asked any questions; and in her astonishment at the startled way he turned upon her, she tried to assure him that there was no need to be perturbed, that she would tell no one what she had glimpsed. In her anxiety she said precisely the wrong thing. She nodded to the pan of water under the faucet with the prints lying in it and said that he needn't worry. It was then that he lost his head. His face became livid and without a word he swung the back of his hand across her mouth.

“If you ever say a word—” he began.

He saw one of the Japanese maids staring at them through the open door. She had appeared noiselessly and he didn't know how long she had been there or what she had seen and heard, and this infuriated him the more. He turned upon his visitor who was petrified by the slap and grabbed her shoulder, pushing her through the door.

“Get out!” he ordered.

The woman stood bewildered in the hall. Automatically she took a dainty handkerchief from her handbag and pressed it to her rapidly swelling mouth. She heard Yamakashi lock the door and saw the maid shuffle away without a word; then the girl seemed suddenly to realize what had happened. Tears rushed to her eyes and she stumbled down the stairs hiding her mouth with the handkerchief.

In the four months she had known him, she had always entered his room without knocking. He had asked her to come that evening but apparently had forgot

about it and had also forgot to lock his door in the rush to develop the negatives given him an hour earlier by Inao Ohtani, a Japanese language student living at the Olympic Hotel in the Los Angeles Japanese quarter known as Li'l Tokyo. Ohtani had come to the United States "to study English"* and had settled in the heart of the Japanese colony, one of the largest in the United States.

Both the Olympic and the Miyako are now being used as headquarters by Japanese agents operating in southern California. The management, if it suspects that the guests are not all they pretend to be, never asks questions but does exercise more than unusual precautions in hiring Japanese maids who have access to the rooms in the course of their duties. The help is trained to forget what they see in the rooms or who goes there.

The Japanese lounging in front of the Miyako glanced curiously at the girl as she hurried across the street. They had seen her go up some five minutes earlier, cheerfully humming a tune. She was known to be a frequent visitor to Yamakashi's room and a friend of both Inao Ohtani and Yamakashi. There was a broad suspicion in Li'l Tokyo that the two were not exactly photographers and students. The sidewalk guests knew only that the girl was half white and half oriental. They did not ask too many questions about Ohtani's friends; but they did know that on that night of June 9, 1938, when the girl's face was slapped, Ohtani had called upon Yamakashi and then left hurriedly.

Ohtani was one of a score of Japanese who entered the United States (many are still entering regularly) to "study the English language." Not one of them, so far as I have been able to check, ever enrolled in a school or hired a private tutor; when they return to their native country they usually know just about as much English as when they arrived.

Every one of these students has strange habits. No matter at what port they land, one of the first things they do after checking into a hotel room, is to take a train or plane to Washington, D. C., and call upon the Naval Attache at the Japanese Embassy. Sometimes they confer with him for several days. When the talks are finished, the student returns to the West Coast to Los Angeles, San Francisco, Seattle or some other spot which turns out to be of strategic importance to American naval defense. Usually the student buys an automobile and, instead of spending his time studying, goes wandering around the section he is living in, associating with shadowy characters with whom, you would normally think, he could have very little in common.

Ohtani and Yamakashi had a whole assortment of such individuals centered around them. There was a cultured language student; a photographer with no visible means of support but plenty of money in his pocket; a Japanese lady answering to the Irish name of Betsy O'hara and with a story of being fired off the Tatsuta Maru in San Francisco for an indiscreet love affair on board ship. She had checked into the Miyako Hotel and quietly announced that she would live there while taking a course in "beauty culture."

I had first come across Inao Ohtani as one of the regular visitors to the Molino Rojo in Tia Juana. Like the influential and highly respectable members of Japanese missions who visited the house of prostitution, the language student did not drink nor pay any attention to the girls. He simply went into a huddle with the proprietor and then drove back to Los Angeles. On one occasion he went to Tia Juana immediately after a hurried trip to the Japanese Embassy in Washington.

Ohtani, like the other "language students" at present in the United States, is a lieutenant commander in the Imperial Japanese Navy; his real purpose in this country was to act as chief of the Japanese intelligence for southern California, which includes the Japanese "farmers" south of the American-Mexican border and some of the Japanese fishing fleet active in American and Mexican waters.

Ohtani arrived in the United States on the Taiyo Maru on August 13, 1938. This is the fishing vessel which once established a world record of being 111 days at sea without catching a single fish.* According to his own statements it was his first visit to the United States. Nevertheless, for a newcomer to a strange land he disclosed astonishing familiarity with Los Angeles, San Pedro, San Diego and the strategic defense centers in the area to which he was assigned. The language student, like a great many of his fellow-officers, had once been a fisherman on the very boat that brought him to Los Angeles a boat which ranges the West Coast from the Panama Canal north to American waters.

[* See Secret Armies, Chapter V.]

Upon his arrival the naval officer masquerading as a student went directly to the Olympic Hotel. I could find no record of a radiogram from the vessel to the Hotel nor any wires from any part of the United States making reservations for him. Reservations could, of course, have been made by mail, but I question this in view of arrangements made for other "language students." At any rate, there

was a nice, pleasant room awaiting him on his arrival.

Ohtani was a bit of a dandy in dress, a ladies' man in proclivities and he wasted little time cutting a wide swathe among the belles of Li'l Tokyo. In due time he found himself a pretty girl named Chieko Nagai, also known in the Japanese colony as Dorothy. He showered her with presents and frequently the two went to the night spots in Hollywood and Los Angeles.

Shortly before the mysterious German chemical capable of sinking the American fleet without firing a shot was being secretly cached in Lower California, Ohtani left hurriedly for Washington, D. C., where he conferred twice with the Naval Attache at the Japanese Embassy the same attache who directed espionage work in the United States and under whom John Farnsworth, a drunken former lieutenant in the American Navy, worked for the Japanese intelligence.*

[* Farnsworth was caught, tried and sentenced to from four to twelve years; the Naval Attache was recalled to Tokyo at the first breath of scandal so the Japanese Government would not be too notoriously involved.]

Upon his return after this conference Ohtani stopped long enough at his hotel to leave his bag and drove directly to Tia Juana. At the Molino Rojo he was closeted with So Yasahura for three hours. When he left, he also left a money belt which he had carried around his waist, next to his body. Shortly after that the Flying Cloud landed the cargo taken off the Edna and stored it in the safe keeping of two Italians.

Early in May, 1938, Ohtani vanished from his usual haunts in the Japanese settlement. It was not until six o'clock on the evening of May 27, 1938, that he drove up to the Olympic Hotel in a 1937 Chevrolet carrying District of Columbia license plates DC 57-512. To Chieko he confided that he expected to return to Japan and that he had driven the car across the country for his "relief" who was expected soon. Apparently he himself didn't know the "relief's" name, for when she asked who he was and what he looked like, the language student just shrugged his shoulders.

Three days later (May 30, 1938) a serious looking individual quietly checked into the Olympic Hotel. He registered as Ko Nagasawa, also a language student. Commander Ohtani, who had been informed the day before that he was coming, made reservations for his room. The naval officer met him at the desk, but aside

from the usual polite formalities, they held no conference. Nagasawa did not like meeting in a hotel room or any other kind of room. "Walls," he said gravely, "not only have ears to hear but also mouths to tell what they heard." The newcomer suggested a game of golf; and though Ohtani had never played golf, he got himself a set of clubs and the pair went out. Nagasawa had learned long ago that it was much safer to talk in an open field with your head down, getting ready for a shot; then even the most powerful field glasses and the keenest student of lip movement finds it almost impossible to tell what you are talking about.

After this conference Ohtani's chief function was to introduce the newcomer to his circle. Among the first whom Nagasawa met was Yamakashi.

One of the fascinating quirks about Nagasawa is his reading habits. Every Japanese, especially every naval officer on intelligence duty in a foreign country (and Nagasawa, too, was a lieutenant commander in the Imperial Japanese Navy), is naturally interested in the war in China. The newcomer was no exception; he was always asking persons around the Hotel to tell him what the late editions had about the war and to interpret the news broadcasts over the radio.

His chief source of news was the *Rafu Shimpo*, a Japanese language newspaper published in Los Angeles. Every morning, with the regularity of a man punching a time clock on his job, Nagasawa would get the *Rafu Shimpo* and settle himself comfortably for an hour's reading. The war news was on the front page; but despite his interest in it, the language student glanced only casually at the headlines. He never read the news reports until he had first studied the market page containing vegetable quotations. He glued his eyes to that column as if hypnotized. Sometimes he stared at it for as long as half an hour as if trying to memorize it or find a hidden meaning in the list of vegetables and their market prices. At no time did he ever use a pencil or make notes. He just sat and stared at the column and when, apparently, he had concluded his study, he then turned back to page one and read the war news.

Whether or not the vegetable quotations contained code messages for him, I have not been able to establish definitely; but there are several interesting aspects in his fascination for vegetable prices. With none of the persons with whom he associated did he ever disclose the slightest interest in vegetables except at meal times. But early on the morning of June 16, 1938, the market on vegetables apparently upset his plans and sent him hurriedly on a two-week trip.

Shortly after Nagasawa established himself in Los Angeles, he and Betsy O'hara became very friendly. Time was apparently heavy on their hands. Though the serious and scholarly Nagasawa didn't drink like Ohtani, he was not averse to a little night life in Betsy's company.

On June 15, 1938, he and Betsy made an appointment to go to a Hollywood cabaret on the following evening. The woman was quite pleased and her friends were envious, for he had suggested that they dress in evening clothes and do the town properly.

Early on the morning of the sixteenth he picked up his copy of Rafu Shimpo and studied it for some twenty minutes. Then he folded the paper without waiting to read the war news and went directly to Ohtani's room. By nine o'clock that morning each had his bag packed and they were in the Chevrolet Ohtani had driven from Washington, on their way to San Francisco. On this trip they were gone two weeks, and their itinerary included the Yosemite, Yellowstone and Mount Rainier. They didn't stop long in any place, as tourists normally would.

What their business was in those areas I don't know, but there are a number of Japanese boys working in the various hotels there, and at each of the stops the two officers conferred with them.

There had been no idea of a lengthy trip. Neither had expected to take it, judging from their personal plans. Each had a date with his girl for the following evening until the lieutenant commander studied the vegetable quotations.

On their return from this trip both drove to Tia Juana for a conference at the Molino Rojo, and shortly after this Nippon Suisan Kaisha, the fishing company active in the Guaymas, Sonora, region just south of the American border, decided it needed an office in Los Angeles. A Japanese named Y. Takemitsu was placed in charge as manager.

There had been no perceptible increase in Kaisha's business to warrant opening the branch office. A few hundred miles south, especially around Guaymas on the Gulf of California, most Japanese fishing boats whose crews take soundings of the harbors and smuggle war supplies to be cached in desert and mountain regions, report to the Kaisha offices. Around Guaymas and other centers of strategic importance to American naval defense, agents of Nippon Suisan Kaisha are much more active in intelligence work than in catching fish.

The manager of the office in Los Angeles naturally has a legitimate excuse to wander around the vast waterfront, and Takemitsu takes full advantage of his excuse. The fishing company's representative engaged a permanent room at the Olympic Hotel, but uses it chiefly as an occasional stopping-off place when he's around and he's seldom around. He's always wandering off somewhere. For an employee in a business not noted for munificent wages, he manages to do a lot of entertaining; and when he isn't busy at that, he's always off on a lone "fishing trip." Office hours mean nothing to him. He's just as likely to vanish on a "fishing trip" at the beginning of the business week as on a week end, and he's particularly fond of fishing in waters near places of strategic naval importance.

And sometimes Takemitsu goes fishing in the desert. He's the only man I ever heard of who takes his line and tackle, announces he's going fishing and heads for the wide deserted stretches south of the American border. So far as I have been able to ascertain, Takemitsu has never come back from one of these fishing trips with as much as a minnow.

Chapter 8

“BARBERS” AND “DENTISTS”

IN THE Panama Canal Zone area, Japanese sit in empty barber shops, four or five to a shop, reading newspapers, staring at the stream of life passing before their doors or wandering off with their always handy cameras on photographic jaunts. But in Northern Mexico there is not only a good sprinkling of Japanese barbers, storekeepers, and “laborers” but also a swell collection of unobtrusive dentists.

With four or five to each barber shop, one wanderer from the business is not missed, especially in an area so small that he can go and return the same day, as in Panama. In the desert and mountain regions south of the American border, the distances are vast and the roads bad. It is difficult to go any appreciable distance and return on the same day. A professional man, however, does not have to be in his office every day, especially if he hasn't too many patients anyway. A filling can wait two or three days. A dentist's office is even better than a barber shop for one to come to, make reports, hold conferences. It would be difficult to find a better profession to which one can go regularly without fear of being suspected.

So, in Nogales, Sonora, just across the American border, in Hermosillo, capital of the state, in Navajo and Mexicali, in Tia Juana and Ensenada wherever you look at a spot of strategic importance to American defense, there you find a Japanese dentist who is sometimes in his office. And all of them have a peculiar affinity for the Japanese fishing fleet, and are ready to drop their practices at any time to call upon Japanese ship captains.

Let us consider Nogales, Sonora. The best road to Guaymas from the United States starts at Nogales. The Southern Pacific of Mexico Railroad also starts its winding course through mountains and deserts down the West Coast, at Nogales. This railroad and the highway to Hermosillo are of strategic military importance to American defense, for they are the chief means over which to transport troops and food supplies should it ever become necessary for the United States to proceed against a foreign power attempting to use Mexican soil for a base. Destruction of the railroad and the highway would seriously hamper military movements, and in this strategic center are some thirty Japanese with their

leader, Dr. Takaichi Hojyo, a dentist, living at Calle Granja No. 40.

From all I could gather, he is not a particularly brilliant practitioner, yet he is a magnate attracting famous, powerful and wealthy Japanese businessmen entering Mexico through this port. Just what big Japanese industrialists or just ordinary “tourists,” who have never been in Nogales before, have in common with a little-known dentist pulling teeth in a sprawling border city is as strange as the interest dentists have in the fishing industry. The moment a Japanese mission or “tourist” passes the towering gateways which separate Nogales, Arizona, from Nogales, Sonora, they start for Calle Granja No. 40 like homing pigeons. On one observed occasion, even a Japanese sailor off a fishing boat found his way there. I have heard of sailors wandering off to strange places, but this is the first time I ever heard of a sailor who went hunting in the desert for a dentist and not a well-known one at that.

At other times, a Japanese, consumed with a yen to settle in Nogales, Sonora, has appeared out of nowhere. The business didn’t matter any kind of little store, restaurant or even barber shop these wanderers far from the homeland also find their way to the dentist who seems to know just exactly what they can do and helps set them up in business.

None of them makes a fancy living, but all of them manage to own expensive cameras with which they wander off into the desert and mountains, photographing the terrain in every direction, especially roads and paths leading onto the main highway. Mexican maps do not show the small paths and trails. And when a road is marked, it does not indicate what the land around it is like, which military men want to know.

These photographers never develop negatives in public shops. Careful inquiry in Nogales and Hermosillo, Guaymas, Mexicali, Tia Juana, Ensenada all along the border where they take yards of pictures failed to disclose one place to which they brought them for development.

Hermosillo, the capital of the state, has another little dentist and twenty other Japanese in the parched, semitropical city. They operate barber shops, restaurants, icecream parlors, stores; and they all take pictures. Hermosillo is at the other end of the strategic highway, and in this desert town, smiling and suave, Dr. Lucas M. Iwamoto has his offices at Serdan 81, a one-story adobe house plastered and painted pea-green.

The doctor is seldom in. He is often to be found in Guaymas, where he goes frequently to see the little soda bottler, F. Matsumiyo, and about once a month, he drives to the Mayo River Valley where a colony of Japanese patiently farms long level acres of land which can be turned into an enormous air base almost overnight. The distance is about two hours' flying time to San Diego.

These trips habitually occur a few days before the Tyoko Maru leaves on her monthly trips to Japan.*

[* The Tyoko Maru, originally a freighter of 1,886 tons, was converted into a shuttle ship to carry fish to the home country. She first arrived in Los Angeles Harbor on January 19, 1938, all set with emplacements for small cannon and stands for machine guns.]

It takes a dentist a long time to build his practice, but this unobtrusive little character deserts his patients for days at a time and once a year closes his office altogether for a couple of months and sails for Japan. This habit of annual pilgrimages to the homeland has also been developed by colonists farming in militarily strategic areas. Some of the farmers have been known to leave when they should have been plowing and others when they should have been harvesting. A careful study of their businesses and professions shows that they earn just about enough to live on but not enough for trips abroad even with minimum expenditures.

Topolobampo is a little south of where the Mayo River empties into the Gulf of California. It is the largest city in the valley where the Japanese farmers are settled. In this town is another little dentist, Dr. K. Ieda, and his interest, too, seems to be more in fish than in teeth. Dr. Ieda devotes most of his time to cultivating Mexican fishermen's co-operatives whose members know every inch of the coast line.

Mexican law prohibits aliens from owning land within approximately thirty-two miles of the coast line and sixtyfive miles of the land border, but there is no provision to prevent a Japanese born in Mexico from having land registered in his name although owned by someone else. And, though Mexico is vast, Japanese colonists manage to secure large tracts of land within the shadow of the American border.

Upon the turbulent Colorado River depends the life of thousands of square miles

of American farm land. Ingenious locks regulate the river to irrigate desert areas and turn them into fertile soil to grow fruits and vegetable and to pasture cattle. A good portion of the food eaten by many thousands of Americans depends upon this water. Disruption of the irrigation system would seriously dislocate the American food supply. Fertile soil would quickly revert to desert wastes and in wartime, destroying food supplies is as important as destroying soldiers in the field.

The mouth of the Colorado empties into the Gulf of California. The area around it is chiefly desert and mountains almost inaccessible except by horse and on foot. At the mouth of this vitally important river in the San Luis region just south of the border, are some twenty Japanese farmers. They live so quietly that few, even of the Mexicans around them, know of their presence. They have lost themselves among the natives in surrounding tiny villages. But their habits are like none of the other farmers in the region. The Japanese like to take long hikes along the river and photograph the terrain, including all paths and trails leading to the water.

The leader of this colony is one Luis Katsurayama, who lives in La Grullita, a little village so small that only the largest maps even dot its existence. Luis and his compatriots work on some four thousand acres of land, and Luis himself, though an old son of the soil, has an irresistible fascination for fish besides the ordinary one for hiking and photography. Luis is always making trips to another tiny little village, at the mouth of the Colorado, known as Gulf, where he meets the captains of small Japanese trawlers, after which he crosses to the American side through Yuma. Where he goes in the United States, I don't know.

During the past ten years, some seventy-five Japanese have gradually bought themselves thousands of long level acres on both sides of the Mayo River. These large tracts of land are thirty-six miles from the coast line and thus just within legal provision governing alien ownership of land. Many of these farms adjoin one another, and combined they could make an enormous air field without even a fence post to break it. All of these farmers grow crops which do not require deep plowing and the making of great furrows. From these acres, it is two hours' flying time to the naval and air base at San Diego.

The tip of Lower California, as I have mentioned before, is of tremendous military importance to a potential enemy of the United States. This tip is chiefly desert and mountain and very sparsely settled. At the very tip of the peninsula is

a tiny place called San Gabriel Bay, so small that even large maps do not mark it.* If this spot and Mazatlan, almost directly across it on the inland, were fortified, the Gulf of California would become a private lake capable of taking care of the entire Japanese fleet and more. It is on the deserted and sparsely-settled San Gabriel Bay that the Japanese are now trying to establish a colony of four hundred men. They are at the present time moving heaven and earth to get permission for this from the Mexican Government.

In charge of the negotiations is Captain Manuel Camiro, a native Mexican working closely with Dr. Yochuchi Matsui, who was sent to Mexico by Japan to teach Mexicans how to fish scientifically. This provision is part of the fishing agreement between the two powers. The Doctor, however, appears to be more concerned with establishing the colony at this exact latitude and longitude than in scientific fishing.

Almost as soon as he arrived in Mexico, Dr. Matsui, accompanied by Captain Camiro, appeared in Guaymas (October 26, 1936). He did a little fancy entertaining to win the support of local officials, but the Mexican Government was a bit wary. For more than two years, Camiro pulled wires and worked hard on this, but lately he lost interest in the project. Even the Japanese do not understand his sudden change; perhaps they will when they read this.

There are native pearl fishermen on San Gabriel Bay who have no interest whatever in Japanese efforts to establish strategic footholds on the Western Hemisphere, but they do fear Japanese invasion of their fisheries. When the Japanese surveyed the shore line and took soundings of the bay, the natives were certain they had eyes upon the pearls.

Since Captain Camiro had come with Dr. Matsui and was actively trying to persuade the natives to approve of the proposed colony, they centered their dislike upon him. On December 19, 1938, they had a little meeting at which they concluded that the Captain should be informed of their feelings. They sent a soft-spoken fisherman to explain, quietly and simply, that if the Japanese succeeded in getting the permission, he would be held personally responsible and shot.

Camiro knew that this simple messenger meant what he said. Today he is trying to persuade the Japanese that San Gabriel Bay isn't such a wonderful spot after all. He suggests other places even better than the Bay, but the Japanese are not interested; they want a colony on San Gabriel Bay.

Chapter 9

ARMS CACHES

FOUR YEARS AGO, when the Rome-Berlin-Tokyo Axis was formed, a little Japanese calling himself Jose Gokoku appeared in Empalme a few miles from Guaymas. He came out of nowhere, rented a little place next to a peaceful Catholic Church and opened a restaurant. As soon as he was established, his wife and son appeared.

Empalme is one of the most important railroad yards on the Southern Pacific of Mexico west coast lines. About a dozen Japanese laborers and mechanics work in the yards and repair shops, and as soon as he opened his restaurant, they became Jose's patrons. On Sunday afternoons they, and five of the six Japanese in Guaymas (the soda bottler excluded), congregate at this house. A few minutes before they arrive, usually at five o'clock, Gokoku's twenty-year-old son comes out, squats on the doorsteps and stays there until the party breaks up around midnight.

These weekly gatherings are never noisy and are a bit different from normal social affairs, as one curious Mexican discovered. By the ancient procedure of having a charming Mexican girl occupy Gokoku's son, he went around to the back of the house and peeked in through a window.

The guests were seated on hard chairs as in a schoolroom. They faced Gokoku and Edisioka, an engineer who works for a fishing company. At the time the Mexican looked, one of the Japanese railroad laborers was speaking slowly and methodically, as if making a report to the teacher.

The railroad upon which these laborers work is of vital military importance since it is virtually the only means of transportation on the West Coast in the rainy season, for instance, when almost all roads south of Hermosillo are almost impassable except to horses and men on foot.

In the past two years, these laborers have ridden over every road and trail between the railroad tracks and the coast line. At the present time, Edisioka and his friends who, as usual, own Leicas with telescopic lenses, are interested in the desert and mountain paths from the railroad tracks into the interior. Natives have

come across Edisioka and repair-shop mechanics perched on mountain tops, busily photographing everything in sight.

Some of these laborers with cameras go off into the mountains to where the Yaqui Indians live. It is interesting in this instance to recall that early in April, 1938, Urbalejo, chief of the Yaquis, and Joe Mattus, his lieutenant, held a secret meeting in Yuma, Arizona, with Nazi agents operating out of the United States.*

[* See Secret Armies, Chapter X.]

Gokoku apparently has a sly sense of humor. Most Japanese who settle in Mexico adopt Mexican first names and change their last ones whenever they feel the urge. It is doubtful if the last names they use in the Western Hemisphere are their real ones. Jose, however, picked himself a good one, for Gokoku literally means "honorable country," or as commonly used in speech, "for the nation." When the Japanese say to one another that they will meet at Jose's, they are actually saying "we'll meet at Josh's for the nation."

The Sunday visitors number at least one and sometimes as many as three from towns and cities in Sonora. These representatives usually arrive on a Saturday, spend the night at Edisioka's house, attend the Gokoku Sunday session and leave Monday morning. The visitors include L. Z. Okamura of Cananea and Dr. Iwamoto. Other visitors come from Huatabampo and Los Mochis where arms are being cached, Navajoa where Japanese have a number of farms and shops, and Ciudad Obregon where Nazis are strong and active.

In November 1938, Gokoku, who does not earn enough money from his restaurant business to justify buying a head of withered lettuce, suddenly became the proud owner of a Ford V-8 truck which Edisioka bought for him.

It was observed that whenever a Japanese fishing boat appeared in Guaymas for repairs or refueling, Gokoku's truck disappeared. Local Mexican officials have noticed these wanderings, but have no idea where he goes and less interest. When neighbors commented upon his sudden affluence and wanderlust, Gokoku explained that he went to buy vegetables. But it was also observed that he rarely came back with enough vegetables for one good meal.

If the Mexican Government is interested, I would suggest that the next time one of the big "mother ships," especially the Minowo Maru, comes into port in Guaymas and Gokoku and his truck vanish, that the roads to Ures, Hermosillo

and Ciudad Obregon be watched. If they intercept Gokoku's truck, the officials are more than apt to find a startling cargo of rifles, pistols and munitions.

The direction the little restaurant keeper takes apparently depends upon instructions, for one week finds him in Ures, another in Hermosillo, a third in Huatabampo, *etc.* As a rule, he is away only for two or three days on each trip, but when he goes south to the Mayo River Valley, he is gone for a week or more. And of all the trips he made since the beginning of 1939, he has never returned with enough vegetables to cover the actual cost of gas and oil.

For instance, at eight o'clock on the morning of January 9, 1939, he left at dawn * with a crate full of vegetables which his son carried from the store and put onto the truck. Three days later, on January 12, at four o'clock in the afternoon, he returned. He and his car were dusty from long jogging over the sandy, desert roads. The same crate of vegetables, considerably dried, was still on the truck. It had apparently not even been disturbed.

[* Empalme is on Central Standard time and daybreak at this season is around seven-thirty or eight.]

On this trip he had not transported contraband. He had been to Navajoa to see a Japanese named Imukahi who has an ice-making plant as well as some five hundred acres of flat level ground. There was a meeting at the time, attended by another Japanese named Morimoto, who has a small corn-grinding place, Tanada, who runs a bar, and Ieda, the little dentist from Topolobampo. I made no inquiries in places other than Sonora, but since the truck-buying epidemic came at the same time in this state, it might be advisable for the Mexican Government to find out if a similar epidemic hit any other parts of Mexico. In all the instances I checked, those who got the trucks have little use for them in their business and certainly could not afford the expenditure from their incomes.

Ever since Yocupicio became Governor of Sonora and Nazi agents operating out of Los Angeles helped organize the Mexican Gold Shirts, German secret agents have been drifting into the state.

A German leaving his country is permitted to take out only ten marks unless he is on state business. Visiting Germans in this region usually enter as "tourists" through Yuma and Nogales, but are apparently never troubled about money. About 150 Germans entered Sonora during the past year and a half as "tourists"

and then vanished into the vastness of Mexico.

In May 1938, a gentleman named A. Plam arrived in Hermosillo with a pocketful of money and opened a magazine store on Serdan Street, the city's main thoroughfare. Since Hermosillo, with a total population of some 25,000 is not exactly a seat of learning, few Mexicans bought magazines. The newcomer, however, kept getting large shipments from various parts of Mexico, which he kept stacked in his store. When the residents of Hermosillo didn't buy magazines, he would give them away, and with each copy was a Fichte-Bund * leaflet which had been smuggled off ships docking in American ports and then smuggled into Mexico.

[* Nazi propaganda headquarters in Germany.]

The propaganda was typical anti-Semitic stuff telling how Jews run Mexico, the United States, Sonora, Timbuctoo and the rest of the world. Since there wasn't a handful of Jews in all Hermosillo and since a lot of Mexicans in the town had never even seen a Jew, the propaganda fell flat. On August 9, 1938, Plam went to Guaymas for a conference with Wilhelm Hesselmann, the Nazi honorary consul, and upon his return from the meeting, became a watch repairer. He knew little, if anything, about the business, for he hired a Mexican to do the actual work while he devoted himself to cultivating General Yocupicio's officials. On September 28, 1938, he abruptly closed shop and went to Cananea where he is now settled.

Why the change in location was made, I don't know, but he left Luis Brauer of Hidalgo No. 4 in Hermosillo to continue the contacts established with state officials. Brauer had been a veterinary, but when the Rome-Berlin- Tokyo axis was formed, he suddenly began wandering around the countryside as a vaccine salesman, and he reports to Hesselmann each time he returns.

Hesselmann runs a hardware store in Guaymas, and though there are only about a dozen German subjects in the fishing village and very little business with Germany, the Nazi Government feels it needs a diplomatic representative. Ever since the hardware store dealer got the diplomatic post, he stopped paying attention to business and began devoting most of his time to wandering around, meeting German "tourists" and occasionally the little unobtrusive Japanese soda bottler. Though the hardware business has pretty much gone to pot, Hesselmann doesn't seem troubled by lack of money.

One of Hesselmann's major activities is the distribution of Nazi propaganda. In this he is aided by a group of Germans in Ciudad Obregon and the Mayo River Valley. Seven of this latter group own fairly large tracts of land in the same area settled by the Japanese.

Although Hesselmann has no apparent business dealings with the state, he frequently visits General Yocupicio in Hermosillo. In this connection, it is interesting to recall a letter written by Henry Allen,* the liaison man between Nazi agents operating out of Los Angeles and Mexican fascists. The letter stated: "Yocupicio has completely come over to our side."

[* See Secret Armies, Chapter X.]

Small shipments of rifles, pistols and cartridges have been repeatedly intercepted at the American border. These shipments are placed on the Nogales-Hermosillo train with the connivance of Southern Pacific of Mexico railroad employees. Records of these smuggling efforts are in the possession of the American as well as the Mexican customs men.

Large-scale smugglers, however, avoid the railroad as too dangerous. Too many people have to be bribed and one of them might be the wrong man; so large consignments of contraband are smuggled across the border in some deserted spot and then transported over tortuous roads and trails to the towns where they are cached.

In Guaymas itself, where bribery is accepted almost as a natural state of affairs, arms come off fishing boats and are transported by the fleet of new Ford V-8 trucks with which Japanese farmers, fishermen and restaurant keepers have been supplied.

Until a year ago, much of the arms smuggled off Japanese boats and across the border went to Cedillo who launched an abortive rebellion, aided by a Nazi agent who subsequently fled to Germany. Other large consignments went to Yocupicio who was supposed to join Cedillo but changed his mind. Yocupicio is going out of office shortly, yet his men are still caching arms.

After I had published Secret Armies, in which I named Ures as the chief smuggling center, the caches were shifted to other cities. For the benefit of the Mexican Government, these new towns are Huatabampo, Topolobampo and Los Mochis.

Up to February 11, 1938, one of the stopover caching spots for arms smuggled off Japanese boats was a quiet little house on Calle 22 in Guaymas. The use of this house was quickly abandoned when a crate three Japanese fishermen were unloading as “fish” slipped from their hands and clattered to the sidewalk. A score of fish slithered around in all directions, but so did boxes of cartridges to the amazement of a lone passer-by. Like most good Mexicans, he had no desire to become involved in anything which did not concern him, and he went home quietly. It was morning before he decided to tell his local labor union officials about it. When a group immediately checked, the house was found empty.

Some time during the night, subsequent inquiries disclosed, two trucks had cleared everything out. The contraband was taken to Huatabampo, where it is now stored.

CONCLUSION

ANALYSIS OF THE STRATEGY pursued by the fascist powers in the past few years discloses a like pattern which varies only in the intensity applied to different objects of aggression. Broadly, the tactics embrace two main procedures: establishment of a propaganda machine within a country's borders to disrupt its national unity by splitting it into conflicting racial, religious and economic groups; and the creation, by secret agents, of “incidents” which are used as the excuse for actual invasion.

The nature of the propaganda employed to confuse the issues in the minds of the people before “incidents” begin, depends upon a country's literacy and unity. Because of the Monroe Doctrine, propaganda must be thoroughly disseminated in the Central and South American countries to turn these republics against the United States before the second phase of the strategy can be attempted.

Germany, with Italy as a minor satellite, has assumed the brunt of the propaganda activities in the Western World. And because our resentment against Nazi propaganda and espionage in our own country has been so great, there has been a tendency to ignore the equally dangerous threat of Japanese agents working along purely military lines.

Sketchy and incomplete as this study is, what little information I was able to get shows that arms are being smuggled into Mexico and cached in deserted areas within easy striking distance of our naval and air base at San Diego; chemicals

capable of sinking or at least seriously damaging our warships have been sent from Germany, transferred to Japanese boats and cached in places also within easy striking distance of San Diego; colonies of Japanese farmers are settled on land which can be used for airplane landing fields and these, too, are near strategic defense centers; Japanese and Italian agents have won cooperation from American police officials in this very strategic area and a private army is being organized by native Americans, some of whom have strange international connections.

We know that in France, before the extent and ramifications of the plot were discovered, Nazi and Italian agents organized a secret army capable of throwing France into a civil war. Obviously, any private army is a threat to a country no matter under what guise it offers itself, not because of any imminent danger that it will seize the Government by force, but because an armed body of men could throw sections of the country into chaos before it was controlled which is precisely the objective of Nazi agents in this country. Since this private army's financial backing is shrouded in deep mystery and since some of the leaders have held secret conferences with persons close to Nazi agents, it seems to me a subject for careful scrutiny by the Federal Government.

With friendly countries to the north and to the south and with vast oceans on either side, most of us feel safe from the madness of Europe and the Orient, but in this very feeling of safety lies the dangerous germ of indifference to what secret agents of the fascist powers are doing.

From what little I have learned, it seems to me that it would be wise for us to realize that despite our desire for peace, nations which have already demonstrated their intentions of ruthless aggression are making preparations which can be viewed only as a threat against the United States. And in view of the present world conditions, failure to perceive what these agents are doing and to take prompt and determined steps to counteract it, is not only inexcusable but exceedingly dangerous to our future peace and security.

*

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No. 18 of the United Office and Professional Workers of America, affiliated with the Congress of Industrial Organizations.