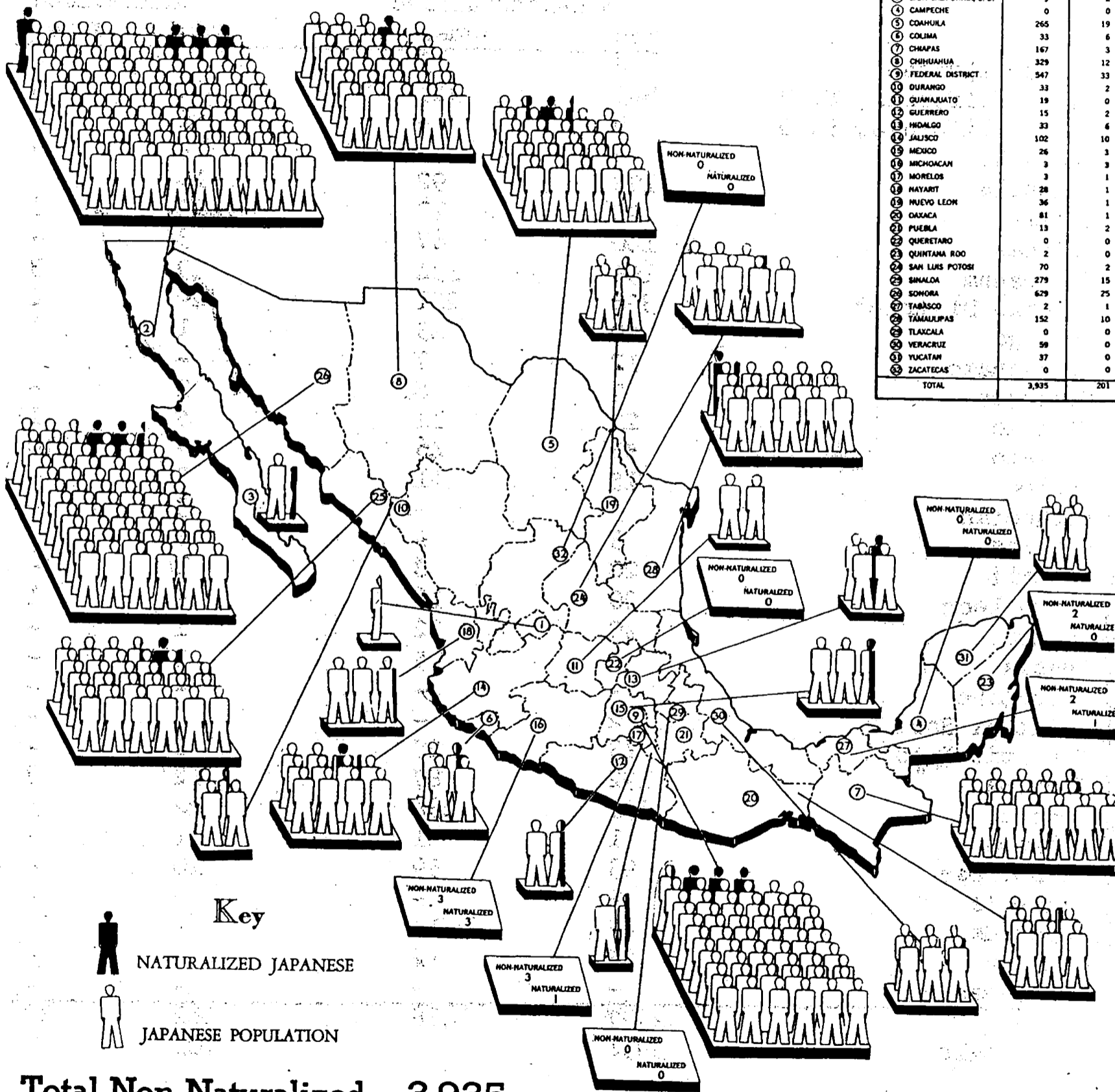


REPUBLIC OF MEXICO

JAPANESE POPULATION

EACH SYMBOL REPRESENTS 10 PERSONS

STATES	NON-NATURALIZED	NATURALIZED
① AGUASCALIENTES	5	0
② BAJA CALIFORNIA, N. D.	958	41
③ BAJA CALIFORNIA, S. D.	9	2
④ CAMPECHE	0	0
⑤ COAHUILA	265	19
⑥ COLIMA	33	6
⑦ CHAPAS	167	3
⑧ CHIHUAHUA	329	12
⑨ FEDERAL DISTRICT	547	33
⑩ DURANGO	33	2
⑪ GUANAJUATO	19	0
⑫ GUERRERO	15	2
⑬ HIDALGO	33	6
⑭ JALISCO	102	10
⑮ MEXICO	26	3
⑯ MICHOACAN	3	3
⑰ MORELOS	3	1
⑱ NAYARIT	28	1
⑳ NUEVO LEON	36	1
㉑ OAXACA	81	1
㉒ PUEBLA	13	2
㉓ QUERETARO	0	0
㉔ QUINTANA ROO	2	0
㉕ SAN LUIS POTOSI	70	2
㉖ SINALOA	279	15
㉗ SONORA	629	25
㉘ TABASCO	2	1
㉙ TAMAULIPAS	152	10
㉚ TLAXCALA	0	0
㉛ VERACRUZ	59	0
㉜ YUCATAN	37	0
㉝ ZACATECAS	0	0
TOTAL	3,935	201



Total Non-Naturalized 3,935
Total Naturalized 201
Grand Total 4,136

TOTAL NUMBER OF JAPANESE INCLUDING PERSONS OF JAPANESE EXTRACTION IN MEXICO IS 5,146

* Figures compiled recent to July, 1942 with 2 per cent margin for error



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JAPANESE SECTION

Population

According to the most reliable figures available, there were prior to December 8, 1941 approximately 5,146 Japanese individuals in Mexico. The following chart gives the distribution of these individuals by States and is broken down to reflect their citizenship status:

	Non-Naturalized		Naturalized	
	Men	Women	Men	Women
Aguascalientes	2	3	-	-
Baja California, N. D.	645	313	32	9
Baja California, S. D.	9	-	2	-
Campeche	-	-	-	-
Coahuila	173	92	16	3
Colima	20	13	5	1
Chiapas	100	67	3	-
Chihuahua	195	134	9	3
Federal District	326	221	29	4
Durango	20	13	1	1
Guanajuato	12	7	-	-
Guerrero	7	8	2	-
Hidalgo	22	11	5	1
Jalisco	56	46	-	10
Mexico	15	11	3	-
Michoacan	3	-	3	-
Morelos	3	-	1	-
Nayarit	20	8	1	-
Nuevo Leon	20	16	-	1
Oaxaca	49	32	1	-
Puebla	8	5	2	-
Queretaro	-	-	-	-
Quintana Roo	2	-	-	-
San Luis Potosi	43	27	2	-
Sinaloa	192	87	12	3
Sonora	391	238	22	3
Tabasco	1	1	1	-
Tamaulipas	93	59	10	-
Tlaxcala	-	-	-	-
Veracruz	45	14	-	-
Yucatan	25	12	-	-
Zacatecas	-	-	-	-
Sub-Totals	2497	1438	162	39
	3934		201	
Total	4136			

The above figures, however, do not include the Japanese born in Mexico which are believed to number 1,011. The grand total is, therefore,

composed of the following groups:

Aliens -	3934
Naturalized Citizens -	201
Citizens by Birth -	1011
	<u>5,146</u>

With the exception of a limited number of Japanese who are investors and professional men, the Japanese are practically all engaged in retail business, farming, and fishing.

Removal of Japanese

Due to the large concentration of Japanese nationals in Baja California and on the West Coast of Mexico in close proximity to the centers of airplane production in California and valuable oil fields and refineries, it was deemed imperative that these individuals be evacuated to the interior of Mexico. Accordingly, in January, 1942, the Mexican Government in cooperation with American authorities ordered that all Japanese be removed from Baja California, the West Coast of Mexico and from the American border to a distance of at least sixty two and a half miles into the interior. The above evacuation program was carried out over a period of three months and a total of approximately 2,100 persons were removed from the states of Baja California, Colima, Sonora, Chihuahua, Sinaloa, Veracruz, and Nayarit to Mexico City and Guadalajara. The evacuees are presently under the supervision of the Department of Gobernacion and are released on parole after registering with that department and promising not to leave the designated area without permission. As a result of the above informal supervision of the Japanese evacuees there have been some reports to the effect that the evacuation program has been ineffective in eliminating the potential threat to national security caused by Japanese concentrations.

It is to be noted that at least one of the district leaders of the alleged Japanese intelligence organization, Ernesto Yanome, was among those who were evacuated from Manzanillo, Colima.

In addition to the evacuation program, the Mexican Government has interned a number of Japanese who were considered to be among the most dangerous in that country. On March 30, 1942, a group of Japanese nationals including the district leader, Dr. Tsunesaburo Hasegawa, were arrested in Juarez, Chihuahua, and removed to Mexico City to be tried on espionage charges. On June 9, 1942, fifteen enemy aliens including nine Japanese were arrested in the state of Nayarit and sent to either Perote or the Islas Marias penal colony for internment. In the district of Tamaulipas, the Japanese leader, Dr. Ichinosuke Konishi, was among the group interned for the duration.

Further action by the Mexican Government against Japanese nationals was taken on February 18, 1942, when in an agreement with the Government of the United States, they sent 29 Japanese Consular and diplomatic officials and their families, comprising a total of 53 in all, to Hot Springs, West Virginia, to await repatriation.

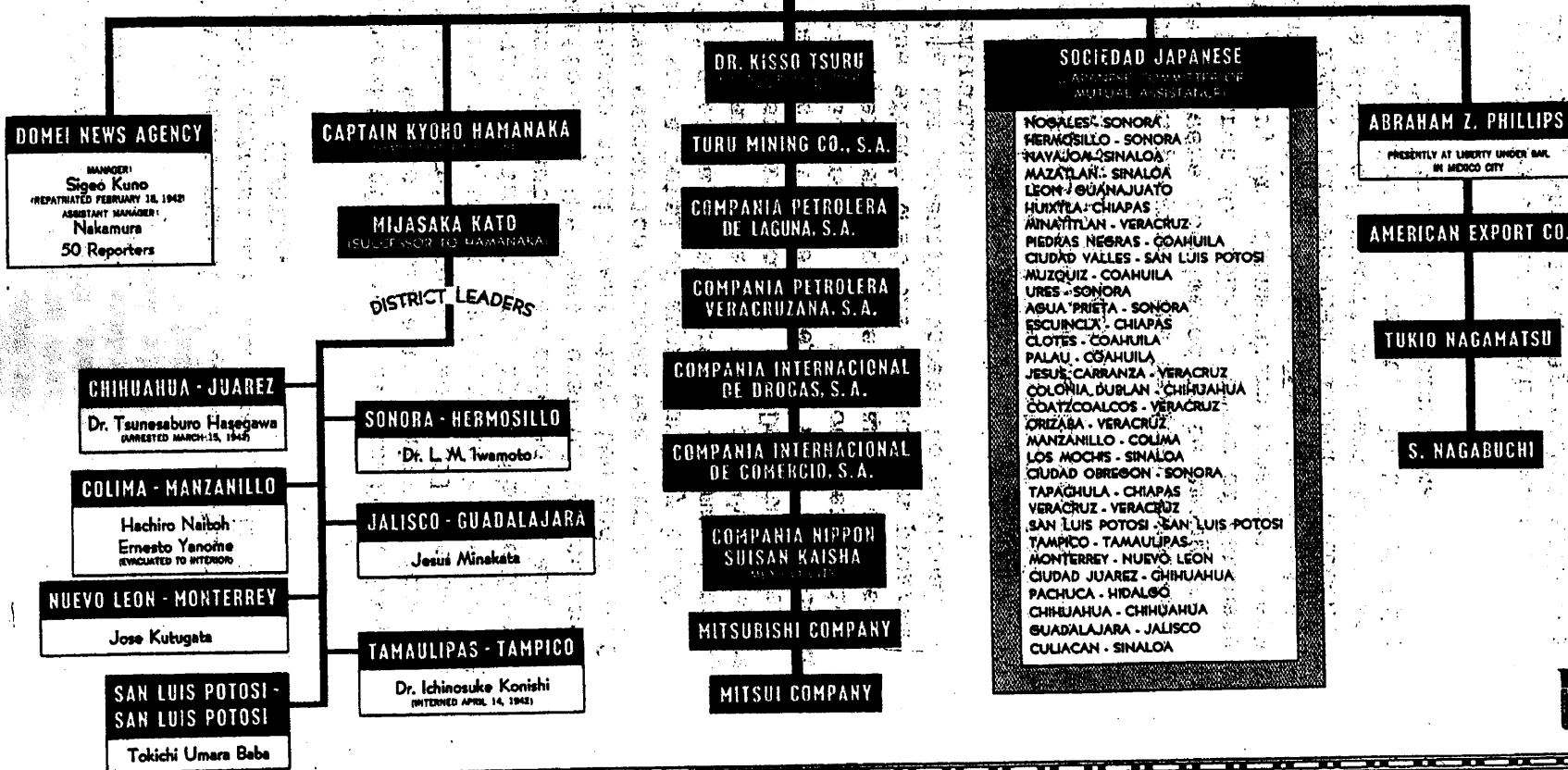
REPUBLIC OF MEXICO

Alleged Organization of JAPANESE ESPIONAGE AND PROPAGANDA ACTIVITIES IN MEXICO

(PRIOR TO MEXICO'S DECLARATION OF WAR ON MAY 28, 1942)



JAPANESE LEGATION
MEXICO CITY



On May 28, 1942, the second group, consisting of 28 families, who volunteered for repatriation, left Mexico en route to West Virginia. Included in the first group were Captain Kyoho Hamanaka, Assistant Naval Attache, and Mr. Shigeo Kuno, the Press Attache, who were believed to be two of the leaders in the Japanese intelligence organization in Mexico prior to their departure. In the second group was Dr. L. K. Ieda who was a district intelligence leader in the Sonora region.

The above actions by the Mexican Government have undoubtedly done a great deal to lessen the effectiveness of the Japanese intelligence organization which operated in Mexico prior to the entrance of the United States into the war. The alleged organization is set forth below.

Alleged Japanese Espionage and Propaganda Organization in Mexico.

It has been reliably reported that the Japanese Legation, consisting of 29 officers and employees, was the focal point for all Japanese espionage and propaganda activities in Mexico prior to their departure for the United States in February, 1942. It is alleged that espionage efforts were concerned primarily with the collection of maritime information, the raising of funds to be used for bribing Mexican officials, and for the protection of Japanese commercial interests by transferring their property to a "dummy" Mexican citizen who was deemed reliable by Japanese. The distribution of Japanese propaganda was also believed to be an important part of the Legation's espionage work.

Captain Kyoho Hamanaka, the Assistant Naval Attache, was reliably reported to be in charge of the collection of funds and the assembly of geographic and coastal information which he did through the Japanese leaders in the various regions of Mexico. These district leaders are believed to have been as follows:

City	State	Leaders
Ciudad Juarez	Chihuahua	Dr. Tsuneasaburo Hasegawa
Hermosillo	Sonora	Dr. L. M. Iwamoto
		Dr. L. K. Ieda
		(Repatriated May 28, 1942)
Manzanillo	Colima	Hachiro Naitoh
		Ernesto Yanome
Guadalajara	Jalisco	Jesus Minakata
Monterrey	Nuevo Leon	Jose Kutugata
Agujita	Nuevo Leon	Francisco Yamashita
Tampico	Tamaulipas	Dr. Ichinosuke Konishi
		(Interned)
San Luis Potosi	San Luis Potosi	Tokichi Umara Baba

Some of Hamanaka's lesser collaborators in collecting intelligence information were Roberto Bondo Kikiyoo and Matilde Makakawa Meki, who are located in Mazatlan, Sinaloa. In the Tehuantepec area, the following two individuals are believed to be intelligence agents:

Japanese "Fishing" Activities

The Japanese fishing concession on the West Coast of Mexico provided Hamanaka with an excellent source of coastal information. During General Rodrigues' term as Governor of lower California, from 1924-1928 the Japanese began to obtain fishing concessions on a large scale. It is believed that the Japanese boats plied all along the coast from Ensenada to Acapulco as early as 1928. It is alleged that in 1932 over 900 fishing boats were registered with the Mexican Bureau of Fishermen and that 95% of them were operated by Japanese. Most of these boats were powered by motors and ranged from 60 to 300 feet in length. It is further alleged that nearly all of these boats carried wireless sets, with which they were able to communicate with land stations and with submarines at sea. The stations with which Japanese fishing boats allegedly communicated were reported to be as follows:

1. A station owned by Federico Ferreira, located east of Tijuana on property adjoining that of the broadcasting station XEMO: This radio was said to have a 1,500 watt, all band short-wave transmitter, operating with a high directional beam antenna. Its call letters were reported as XE2AH. It functioned in amateur communication between Europe, South America, Panama and the Orient and service communication traffic and fishing boats.
2. Station XE2A1, located in the offices of a cannery in Ensenada with a 2,000 watt, all band short-wave transmitter with high directional rotating antenna: This station functioned as a communicative unit from shore to fishing boats.
3. A radio located at Sauzal at the private hacienda of General Rodríguez: This radio is powered with a 1,000 watt, all band short-wave transmitter and no special call letters relative to it are known. It is used by the General and his aides in checking with the radio stations mentioned above.
4. There is a station located at Cape San Lucas on the tip of the Lower California Peninsula with a 1,000 watt, all band short-wave transmitter. No special call letters used by this station are known. It communicates with fishing boats operating in the Mexican waters and is owned by General Rodríguez. This station is also used by the Governor of the Southern District for official communications. These sets are said to be still in existence and are not licensed by the Mexican Government and do not appear on any governmental list of licensed stations. General Rodríguez is said to have financed the stations. They were built by Federico Ferreira who is a member of the Mexican Diplomatic Corps. Ferreira is said to be interested in aviation and has contacts with the employees of the Consolidated Air Corps

of San Diego, California. He has boasted of conversations by radio with Tokyo, Manila, and other points in the Far East, as well as Berlin, Germany; Buenos Aires, Argentina; Lima, Peru and points in Brazil and Panama. It is known that station XEMO in Tijuana has been receiving messages from Colon, Panama and Tokyo, Japan.

It is reliably reported that many of these fishing vessels continued to operate in areas in which fishing was known to be unprofitable, and that their real purpose was mapping the coastal areas.

Activities of Captain Hamanaka

It is known that during the period from February 8th to February 13, 1942, Captain Hamanaka employed three unidentified individuals "to study the load limits and resistance" of various sections of the Mexico City-Laredo Highway. It was reported that this group made a study relative to the damage which could be done by specified charges of high explosives in the indicated locations and made calculations as to the time necessary to clear the highway of debris caused by these explosions. Similar studies were made on the Mexico City-Laredo Railroad bed between Valles, San Luis Potosi, and Cuesta del Diablo, Tamaulipas. It was further reported that initial surveys relative to the above work had been carried out in May of 1941, at which time they took into consideration the damage that could be done as a result of landslides caused by the excessive rainfall during the late Spring of the year.

From a reliable source there was obtained late in February of 1942 the alleged plan of invasion of Mexico by the Japanese, the details of which are set forth in the section of this monograph devoted to Invasion.

Further evidence of Hamanaka's activities was disclosed when blueprints relating to 75 millimeter guns manufactured in the United States were found in a house at Calle Juan Escutia, #51 Mexico, D.F., which was a former residence of Hamanaka.

Being a member of the Japanese Legation, Hamanaka was in touch with the high command at Tokyo, and undoubtedly communicated all intelligence information, such as that illustrated above, to the Japanese government. The ulterior intentions of Hamanaka are further illustrated by the fact that he intended to arrange for a substitute to depart from Mexico in his place when the Japanese diplomats were expelled. It is known, however, that he was unsuccessful in his effort and designated a Japanese named Mijasaka Kato, who operates a celluloid factory at Avenida San Antonio, #337, Mexico, D.F., to replace him as head of the Japanese Intelligence Corps. Kato, he believed, would not be expelled because he lacked diplomatic status. It is presently believed, therefore, that Kato is the coordinating force of Japanese activity, since the Legation was expelled and the intelligence work driven under cover.

It was further ascertained that Masao Yoshidome, a Chancellor attached to the Japanese Legation, had similarly planned to send a substitute to Japan in his stead. This substitute was to be Dr. Tsuneasaburo

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Hasegawa of Avenida Juarez #313, Ciudad Juarez, Chihuahua. This plan has obviously been frustrated, inasmuch as Hasegawa was arrested by Mexican officials on March 15, 1942 and is now interned in Mexico City.

Japanese Commercial Activities

The coordinator of intelligence information in the commercial field was a prominent Japanese capitalist named Dr. Kisso Tsuru, who was second in importance only to Captain Hamanaka. Being a long time resident of Mexico, he was widely reported to be entrenched with many high Mexican officials and was known as the "fixer" for all Japanese commercial ventures. Tsuru, himself, was the organizer of a large number of Japanese-financed oil and mining companies. He was also influential in a large Japanese drug firm.

The first of the above mentioned oil companies was the Laguna Petroleum Company, which was legally organized on May 14, 1934 to explore and exploit Mexican oil lands. It was backed by the Pacific Petroleum Company of Japan, which is an agency of the Japanese Navy. This company was granted a 95 year concession in the state of Veracruz and had a capital of one million pesos made up of ten thousand shares.

In 1935 the Veracruzana Petroleum Company was organized in Jalapa, Veracruz and had among its large shareholders the following individuals:

Kisso Tsuru
Carlos Almazan
Jesus M. Villasenor
Gregorio Lima
Augustin G. Palavicini
Pablo O. Alarcon

The oil exploitation of these two companies was of such a futile and profitless nature as to make it obvious that they were merely covers for other activities.

The Compania Internacional de Comercio, S. A. was also organized by Dr. Tsuru to take over the activities of the Compania Internacional de Drogas, the latter firm having failed. While apparently operating a legitimate drug business, the Compania Internacional de Comercio is regarded with suspicion because it is reported to maintain a staff of employees in excess of its actual needs, and has been acquiring land for unspecified purposes.

Dr. Tsuru is known to have been the contact man and business co-conspirator in questionable deals with A. Z. Phillips, the latter being a Mexican citizen who was arrested in 1941 for attempting to deliver contraband mercury to a Japanese vessel in the Mexican port of Manzanillo. Phillips' varied activities in regard to obtaining and delivering strategic materials to the Japanese have labelled him as being possibly the most dangerous Japanese collaborator in Mexico at the present time. Phillips is obviously an unscrupulous individual, inasmuch as he is willing to sell his services to anyone who will pay the price and

evidently he has no loyalty whatever to his native country. For example in 1940 he was involved in an effort to obtain cobalt in Canada for Germany. The attempted smuggling of mercury was carried out through his American Export Company and in collaboration with the following additional individuals.

Jose Basurto (his brother-in-law)
Tukio Nagamatsu
Alexander Kleyff
Shorodu Nagabushi
General Francisco Mujica
Masao Fukamachi

Phillips is presently under indictment for his attempted delivery of strategic material to the enemy, but due to his apparent influence with Mexican officials it appears doubtful at this time that he will be given a severe penalty. In the meantime, he is at liberty and was reported in May of 1942 as again purchasing mercury in the vicinity of Monterrey, Mexico. A detailed discussion of the above commercial activities is given below in a section devoted to A. Z. Phillips.

Federation of Japanese Societies

A third important medium of obtaining intelligence information and disseminating Japanese propaganda was the Japanese Committee of Mutual Assistance, which had its headquarters in Mexico, D.F. and used Post Office Box #918. This Committee had affiliates in all of the important cities of Mexico, numbering thirty-two in all. It is believed that a large majority of the Japanese population were members of or at least influenced by this Federation. It is believed that the organization used propaganda methods to maintain loyalty to the Japanese nation and to provide assistance for all Japanese in need of it.

On December 4, 1941 the Federation sent telegrams reading as follows to each of its thirty-two branches:

"When it is confirmed that the S/S Tatuta Maru will drop anchor in Manzanillo on the 19th of this month, it has been decided that those persons able to support themselves should remain where they are, but those who at this time find it imperative to return to Japan and are able to cover the expenses of the trip should notify our Consuls up to the 8th of this month, explaining to him the reason for having to return to Japan. The merits of the individual cases will be judged by the Consuls and the results thereof will be communicated to the individuals. Advise countrymen living in nearby regions. Signed Federation of Japanese Societies."

The addressees of these telegrams are listed below:

Sociedad Japonesa
" "

P.O. Box #41, Coatzacoalcos, Veracruz
Ave. Colon #38, Orizaba, Veracruz

of the Japanese diplomats is not definitely known, but it is believed to be continuing through undercover methods. It has been reported that Johann Fischer and Hugo Natus, well known Nazis, are administering the "affairs" of the Japanese Legation. The possibility is present, therefore, that collaboration with Germany is continuing.

Japanese Cooperation with the Falange

Japanese cooperation with the Spanish Falange, while probably restricted in nature, is illustrated by the fact that Francisco Posada Diaz, a well known Falangist who owns the "La Nacional" Dairy Products Company located in Mexico City, was reported to have presented himself to the Japanese Legation on the night of January 14, 1941, and removed from the premises a large quantity of objects and packages in a truck. This person is said to have made three trips with this truck and deposited all the objects removed from the Legation in his dairy products plant. He is also said to have stored some of this material at his residence, located at Calle Juana Ines de Cruz #99.

Francisco Diaz is said to be an active member of the Spanish Falange and utilizes his fleet of trucks for transporting material for the Falange to the various towns in the vicinity of Mexico City.

Furthermore, several of the Japanese-owned businesses in Veracruz have recently been passed over to Falangist Spaniards to prevent their seizure. Ownership is said to remain in Japanese hands and the transfer constitutes nothing more than a legal subterfuge. A case in point is that of the business owned by Jose Yikihiro of Calle Lerdo #265, Veracruz, Veracruz, which was reported sold to a well known Spanish Falangist.

A further illustration of such cooperation is reflected in the presentation of Japanese pictures of the Pearl Harbor bombing referred to above, which were reported to be the property of Falange agents. The film allegedly was sent to Mexico by Falange agents in the Philippines and appears to be the property of the Military Information Service. The picture has been shown on four known occasions, including once at the home of Augusto Ibanez Serrano, head of the Falange in Mexico.

The above brief outline of the Japanese intelligence organization in Mexico is displayed pictorially in this monograph. It is believed that since the expulsion of the Japanese Legation, the Japanese organization, like the German, is still operating under cover through those and the listed agents who have not been interned or expelled and through organizations which have not dissolved.

Japanese Propaganda Aims

In a report dated December 31, 1941, information was obtained from a reliable source concerning Japanese propaganda aims in North, Central and South America. The principal points of the program are as follows:

1. Stress the "tyrannical and bigoted attitude" of the United States toward Japan and Latin America.
2. Give assurances that Japan entertains no imperialistic designs toward Central and South America and will restore normal trade relations with Latin America as soon as she has seized control of the Pacific Ocean.
3. Impress upon the influential statesmen and military leaders in South America that American military occupation of Dutch Guiana is the first step of American penetration southward.
4. Direct her agents to cooperate and keep in close touch with German and Italian agents.
5. Organize special intelligence and propaganda agencies in Spain and Portugal and endeavor to make all people of Latin culture and Catholic faith fight Japan's political battle. To this end she will invite the cooperation of the Catholics and attempt to exploit His Holiness, the Pope, through the medium of Japanese diplomatic representatives, agents, commercial firms, etc. throughout Europe and the Americas.
6. Work with the Spanish and Portuguese in order to help maintain neutrality in South American countries.
7. Bring pressure to bear on Pan-American representatives to the Foreign Ministers Conference (scheduled to be held in Rio de Janeiro on January 15, 1942) so that the results of this conference, instead of being harmful to the Axis countries, will actually be beneficial. In this connection the Japanese believe it is absolutely necessary to cooperate with the Germans and Italians in order to negative the influence of the U. S.
8. Concentrate on changing the foreign policy of Chile by using underground activities and local advisers for Japanese commercial firms. To carry out these policies, an additional \$50,000 was forwarded to diplomatic representatives toward the middle of December to be used as bribes.
9. Employ pro-Japanese writers and increase the publication coverage of Domei News reporters who will carry on propaganda activities independently as well as through German and Italian facilities.
10. Endeavor to stir up a revolution in the United States by discrediting the Roosevelt Administration. With the "A,B,C" countries as relay points for propaganda (from which Japan hopes to get as much information as possible about internal conditions of enemy countries) Japan will station in Latin American countries as many foreign agents as possible, will

play upon the anti-war faction in the United States, women's organizations and Isolationists.

Japanese Firms

Compania Mexicana de Petroleo Laguna

The Compania Mexicana de Petroleo Laguna was formed in Jalapa, Veracruz, Mexico, on May 14, 1934. It was granted a 95-year concession in the state of Veracruz and maintained a capital of one million pesos. It issued 10,000 shares of stock. The larger shareholders were Modesto C. Rolland, Pous Chazaro, Manager of the Banco Azucarero, and Dr. Kisso Tsuru of the Compania Internacional de Drogas S. A., also director of the Mitsui Company in Mexico City and director of the Taiheyo Petroleum Company, Tokyo, Japan. The Compania Mexicana de Petroleo Veracruzana S. A. was formed in October, 1935, in Jalapa, Veracruz, Mexico. Its capital was reported to amount to one million pesos and among its large shareholders were Dr. Kisso Tsuru, Carlos Almazan, Jesus M. Villasenor, Gregorio Lima, Augustin Gonzalez Palavicini and Pablo O. Alarcon.

Early in 1940 these companies were reorganized. The Compania Mexicana de Petroleo, which was financed by the Taiheyo Petroleum Company of Japan, became the holding company and its concessions were transferred to Compania Mexicana de Petroleo Veracruzana S. A., which took over all drilling operations. The prominent people in the management of this reorganization were Dr. Kisso Tsuru, Carlos Almazan, Modesto C. Rolland, and Dr. Francisco J. Mujica, ex-Minister of Communications. Information received indicates that the Compania Mexicana de Petroleo Veracruzana S. A. was started as a promotion scheme to attract Japanese capital to Mexico and the company never had the intention of actually exploiting Mexican oil fields. This organization was said to be utilized for the obtaining of military information and it was further reported that it maintained a large staff, mostly Japanese, which was sent to various parts of the country whenever any important work or projects such as the Tehuantepec Railroad or the construction of a pipe line across the Isthmus of Tehuantepec was undertaken. This staff was said to be entirely unfamiliar with the production of oil, which might indicate an ulterior motive of its persons. All the land controlled by the Compania Mexicana de Petroleo Veracruzana S. is located on or near the Gulf of Mexico and might possibly provide airport or submarine base facilities.

At the end of September, 1940, it became apparent that the activities of the Veracruzana Company resulted in a complete failure from the point of view of oil production, and oil exploitations were definitely uneconomic and all operations on the Isthmus of Tehuantepec were abandoned in May, 1941. Similar action took place in September, 1941, regarding the company's other oil properties.

This firm was and is regarded with suspicion. It is reported that it was turned over to Carlos Almazan, who is acting as a "cover"

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owner with Japanese interests still retaining control.

Compania Internacional de Drogas

This company was established in Mexico City as a stock company on April 15, 1932. The directors of this company, who are of Japanese nationality, are as follows: Dr. Kisso Tsuru, president and managing director; Seiskichiro Fujiska, Vice president; Chukichi Hayashi, treasurer and manager; Jiro Irbanoto, Secretary; Kokuto Tago, auditor.

Information received reflects that this company is controlled by Kakusai Seiyaku Kabushiki Kaisha of Toyama, Japan.

Compania Internacional de Comercio, S. A.

This company, which was under the Directorship of Dr. Kisso Tsuru, had taken over the activities of the Compania Internacional de Drogas S. A. Information received indicates that the Compania Mexicana de Petroleo Veracruzana S. A. and the Compania Internacional de Comercio S. A. were primarily organized to seek military information and that they maintain a staff of members in excess of actual needs. It was further reported that the acquisitions of land by these companies were intended for the purpose of utilizing them for future Air and Submarine bases.

Turo Mining Company

The Turo Mining Company was recently organized by Dr. Kisso Tsuru, prior to his indictment by the Mexican Government. It obtained options on several mining companies, however, reports advise that it had done little mining on the property acquired.

Arrested and Repatriated Japanese

The following is a list received in June, 1942, of the personnel in the Japanese Legation in Mexico, who were removed from Mexico to the United States in February, 1942, pending repatriation and exchange for Mexican and American diplomats located in Japan:

His Excellency, Hoshiaki Miura, Minister
Her Excellency, Madame Miura
Three girls, 12, 11, and 5 years; one boy, 6 years
Miss Hatsu Mochimaru, nurse.

Baron Keizo Fumii - First Secretary
Baroness Fujii
Two boys, 7 years, 1 year and 7 months.
Miss Machi Nishioka, servant.

Hitoshi Satoh - Second Secretary
Madame Satoh

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One girl, 1 year and 4 months.

Shigeoyshi Fujushima - Second Secretary

Shiochi Kaihara - Civil Attache

Colonel Yoshiaki Nishi - Military Attache

Madame Nishi

One girl, 11 years, one girl, 10 years

Miss Ryu Hiroso, servant.

Captain Kyoho Hamanaka - Naval Attache

Captain Tunezo Wati - Assistant Naval Attache

Katsuhiku Sameshima - Chancellor

Madame Sameshima

One girl, 5 years

Kozaburo Masuzawa - Chancellor

Madame Masuzawa

One girl, 1 year 8 months; one boy, 4 months

Masanao Noma - Chancellor

Madame Noma

One boy, 1 year 2 months

Miss Mitsu Sunoda, servant

Toru Yoshimisu - Chancellor

Masao Yoshidome - Chancellor

Hayao Machida - Chancellor

Shigeo Kuno - Press Attache

Yoshio Kobayashi - Chancellor

Tadasii Isii - Chancellor

Horiyuki Aya - Chancellor

Taketiyo Kimura - Chancellor

Saschiro Matsui - Chancellor

Hisasi Nakamura - Chancellor

Minoru Sibata - Chancellor

Kazime Kobayasi - Chancellor

Koyoso Ueno - Chancellor

Eliti Kubo - Chancellor

Hisakatu Kudo - Chancellor

Eijiro Nakayama - Clerk

Kozaburo Kataoka - In charge of the Consulate

General, Mexico, D. F.

Jiro Miyazawa - Consular Agent of Carrera, Mexicali,

B. C., Mexico.

Japanese Repatriates

The following is a list of Japanese non-official nationals from the Republic of Mexico who were being considered for repatriation and who were to have left on an Exchange Vessel scheduled to depart New York on June 17, 1942:

Amaya, Hiroshi
Ando, Kentji
Fujioko, Michihoko
Horiuchi, Yoshio
Inouye, Masazo
Iyeda, Kozo
Kaneko, Shigeyasu
Kata, Yojuu
Kato, Heiji
Kato, Kyuataro
Kawahara, Kazuo
Kuba, Ikouzo
Kurita, Hideo Kurita
Kurita, Mrs. Sizue
Miyasaka, Shinichi
Miyasaka, Mrs. Toshie
Miyasaka, Yoshiko (Child 1 year)
Someya, Yoshiaka
Sugihara, Shigeyoshi
Takada, Yoshio
Usuji, Harumi
Waki, Miyoki
Yamaguchi, Fugao

The following Japanese nationals were repatriated from Mexico on May 26, 1942:

Nakumura, Matozo
Kahara, Sigeyasu Koneko Kozuo
Inouge, Masozo
Megasoko, Iwao
Hashimoto, Masao
Ando, Tokaji

Japanese arrested in Mexico

A report received on July 6, 1942 advised that the following Japanese were arrested by the Mexican police and are confined at Islas Marias:

Isaburo Hagamuchi: Arrested under the charge of espionage around Ciudad Juarez and Chihuahua.

Federico Eideo Hamana: Arrested under the charge of

espionage in the vicinity of the Tampico oil fields.

Masao Inuro: Arrested under the charge of espionage in Las Choapas, Veracruz.

Jiro Oikawa: Arrested under the charge of espionage in Tampico, Tamaulipas.

Toriyo Sugawara: Arrested under the charge of inducing strikes among Mexican laborers at Tuxpan, Veracruz.

Information from a reliable source was received on June 9, 1942, advising that in the early part of that month the following Japanese were arrested:

Natsanave Nasao
Sone Yasaman
Toberto K. Tsuchiya
Alejandro Ito
Kadu D. Monita or Tomas Monita
Key Onuma
Miguel Onuma
Fusao Hayashi, Santiago, Ixcuintla, Nayarit
Sanjiro Strobishi Hajira, Mexicaltitlan, Nayarit

List of Japanese Agents - Contacts and Collaborators

The individuals in the following list are identified as Japanese agents, individuals who have collaborated with Japanese agents and the more important contacts of these agents who have assisted in the furtherance of Axis activity throughout Mexico.

ALMAZAN, INGENIERO CARLOS

The above individual has an office in Avenida Juarez, Mexico City, in the same building and adjoining that of Portes Gil, former President of Mexico. He is the head of the Cia. Mexicana de Petroleo Laguna and Cia. Petroleo Veracruzana. Information on hand reflects that he is closely connected with Dr. Kisso Tsuru, who is head of all Japanese Commercial enterprises in Mexico, and is an engineer by profession. He was a member of the reception committee which met Captain K. Hamanaka, Naval Attache to the Japanese Embassy in Mexico. His home was visited on the evening of March 26, 1942, by an informant who advised that he strongly expressed pro-Nazi and pro-Japanese sympathies. He appears to be very wealthy, maintaining an expensively furnished home and has a room in his home which is filled with Japanese art treasures which he explained were mostly gifts from high Japanese Government officials. He was accused of having been mixed up in the mercury smuggling activities of A. Z. Phillips, who is dealt with fully in this section.

BABA, TOKICHI UMARA

The above individual owns a silk and notions store in San Luis Potosi and also claims to be an insurance salesman which causes him to do a considerable amount of traveling. He is reported to be an active Japanese agent and is the bearer of Japanese passport #525156 issued April 8, 1922, at Kanagawa, Japan. He arrived in Mexico in 1922 and his stated purpose was to make Mexico his residence. He gave as his reference in the United States, when desiring to enter this country, Dr. S. Furugochi of El Paso, Texas, who has since been arrested in El Paso and detained as an enemy agent.

BAN, LUIS YAMAMOTO

The above individual resides in Tampico, Mexico, at the corner of Altamira and Altamonte Streets. He owns and operates a tavern. Reports of suspicious actions by him have led to the belief that he is an active espionage agent. He has also been reported as being a former officer in the Japanese Imperial Army where he held the rank of Colonel. Information in the files failed to reflect whether or not this individual has been moved inland according to the Mexican decree requiring all enemy nationals to be removed from sea coast towns.

DIAZ, FRANCISCO POSADA

The above individual is the owner of La Nacional Dairy Products Company located at Calle Guillermo Prieto #1, Mexico City. He resides at Calle Juana Ines de Cruz #99, Mexico City. He is one of the most active members of the Spanish Falange in Mexico City and utilizes his fleet of trucks for transporting Falange material to different towns outside of Mexico City. It has been reported from a reliable source that when the Japanese closed their Legation in Mexico City in December, 1941, they removed some very carefully wrapped and packed bundles and large wooden boxes of about one meter capacity. The majority of these boxes and bundles were turned over to the above individual who moved them in his truck, which is a grey Dodge bearing 1941 license plates G 36-39. He also used a yellow panel delivery truck bearing license plate G 99-75. He took most of the boxes and packages of his dairy products company and on January 14, 1942, part of this shipment was transferred to a rented freight truck and shipped to Guadalajara, Mexico. Upon its arrival at Guadalajara, the material was transferred to still another truck and taken to some unknown place in the vicinity of Mazatlan. It is known that part of the material was taken to the above individual's home, and it is believed that it is still there.

ENDO, TETSUO

The above individual is the owner and operator of "La Violeta," a confectionary and fruit store located at #332 Calle Mejia, Ciudad Juarez, Mexico. On January 10, 1942, he was reported to be closing out his store but on February 23, 1942, he was noted to have restocked his place and was doing business as usual. He is alleged to have disseminated Japanese propaganda in his district and is credited with having once remarked, "Japan has bought many high officers in the

Mexican Army. Cardenas is pro-Axis and will follow up on the west coast and let the Japanese in. Now that Hong Kong has fallen, it won't be long until San Francisco will be doing the same."

Endo's place at the above address is reported to be a meeting place for pro-German and pro-Japanese Mexican sympathizers. It is not known at present whether Endo has been removed inland from Juarez according to Mexico's decree for moving Japanese nationals away from the United States border and coastal areas.

FUKAMASHI, MASAO

The above individual is a Japanese National, 40 years of age, married, and is included in a list of foreign nationals who did extensive traveling in Central America during January and May of 1941. He is also reported as being the Japanese paymaster in Mexico, a commander in the Imperial Japanese Navy, and a representative of the Mitsui Company of Japan. His mission in the Western Hemisphere was to buy material for the Japanese Army and probably to do intelligence work also. Information further reflects that he departed from Japan on February 10, 1941, and arrived in Manzanillo, Mexico, where he engaged in legitimate business transactions and bought war materials for Japan. His present whereabouts in Mexico is not known.

GARZA, COLONEL CIPRIANO VILLANUEVA

Colonel Cipriano Villanueva Garza, Chief of the Mexican Immigration Service in Mexicali, Baja California, is alleged to have received sums of money from the Japanese association in Mexicali, in return for a guarantee that Japanese nationals would not be molested or subjected to the strict regulations of his office.

This sum of money was said to have amounted to about 4,000 Mexican pesos monthly. Colonel Garza is said to have signed 218 Japanese registration receipts and sent them to the secretary of the Japanese association, who distributed them to the proper persons.

It is charged that at least 40% of the Japanese residents of this district do not have their immigration documents in order. Colonel Garza is said to have privately expressed his hatred for the United States and admiration for Germany a number of times. His wife, whose maiden name was Solezzi, a former native of Matamoros, Tamaulipas, Mexico, is of Italian descent.

HAMANAKA, CAPTAIN KYOHO

The above individual, until he was repatriated along with other Japanese nationals, lived at Calle Juan Escutia 51, Mexico City. He was the Japanese Naval Attache to Mexico. Information on hand reflects that he speaks English well and enjoyed a good reputation and was popular with both the Japanese and Americans in Mexico City. His Naval record reflects that he was appointed Aide in the Training Squadron in December 1931 and was attached to the Naval Foreign Staff

in August 1932. He was promoted to Commander in 1932 and as Aide to Admiral Kanji Kato who was a member of the Supreme War Council. In 1936, he was considered to be very friendly toward the United States and toward American Naval officers. He served as Naval Attache in Mexico until August 1939 when he was relieved by Captain Katsuya Sato of the Imperial Japanese Navy. He was reappointed as Naval Attache to Mexico in 1941 in which capacity he was serving when Mexico broke off relations with Japan December 8, 1941. He entered Mexico through El Paso, Texas, on July 5, 1941, and proceeded immediately to Mexico City where he was met at the railroad station by a reception committee which included many prominent Japanese among who was Dr. Kisso Tsuru, who has been reported as the directing head of all Japanese activities in Mexico.

It has been ascertained that immediately after the outbreak of war between the United States and Japan the above individual attempted to arrange for a substitute to be deported from Mexico in place of himself, if and when Mexican authorities ordered the expulsion of all Japanese diplomats. It has also been reported that shortly after the outbreak of war the above individual moved approximately twenty sealed boxes from his house to the Japanese Legation from which place they were then taken to an unknown address in Coyocan, D. F. or San Angel, D. F. According to information available, these boxes were stamped with Japanese characters, had a "Rising Sun" painted on the side, weighed about one hundred pounds each, and are alleged to have contained hand grenades.

It has also been reliably reported that shortly after the outbreak of the war Hamanaka sent three unidentified men on a trip ostensibly to "study the load limits and resistance of various sections of the Mexico City-Laredo Highway." It was reported that this group made a study relative to the damage which could be done by specified charges of high explosives at certain designated locations and that they made calculations as to the time necessary to clear the highways of debris caused by these explosives. The explosive to be used was apparently dynamite. The group made a similar survey concerning unidentified sections of the Southern Pacific Railway in Mexico.

It has also been reported that immediately prior to his departure from Mexico to the United States for internment he stated that Japan and her Allies had many friends in Venezuela, Colombia, Chile, Mexico, and Argentina, but that they would not use these friends until the Japanese had won a complete victory in the Pacific. He further stated that his government could send one battleship, two heavy and two light cruisers, ten destroyers, and one airplane carrier to the port of Acapulco, Mexico, and land and maintain a force of ten thousand soldiers; that these soldiers could gain a foothold in the state of Guerrero, and this foothold could be held by using Zopilote canyon as a natural fortress and by blowing up the long concrete bridge across it which would completely cut off highway communication between Acapulco

and outside sources. Hamanaka is alleged to have further stated that from this foothold the ten thousand Japanese soldiers could render aid to anti-United States political parties in Mexico and could take other measures against the United States and the present Mexican Government until the time should come for a complete Japanese victory over all its enemies. He is further alleged to have stated that through a Japanese victory in the Pacific and through her program for the Western Hemisphere, Mexico was going to be relieved of depending on the United States economically and politically and that she would and could depend upon Japan and her allies. He stated that Japan had no particular desire to do harm to Mexico and that it was only against the United States and against those in Mexico who insisted upon close collaboration with the United States that Japan would take retribution after her victory. Hamanaka left Mexico City February 18, 1942, and was repatriated to Japan via the United States. (See Invasion Section)

HASEGAWA, DR. TSUNESABURO

The above individual has been regarded in Juarez as a leader of the Japanese in that section for many years. He has been closely associated with Dr. Furugochi of El Paso, Texas, who is presently interned as an enemy alien in the United States. He is quoted as having said, "when Japan declares war on the United States, I will be the leader of the Japanese in Mexico." He owned and operated a grocery store called the Bella Vista located at #710 Calle Acacia, Ciudad Juarez. It has been reported that Japanese would meet at this address every night. It was further reported on several occasions that he owned and operated a high powered short wave radio by means of which he sent monthly reports to the Japanese Embassy at Mexico City. He was one of a group of thirteen Japanese who were arrested by the Mexican military authorities in Juarez on March 15, 1942. At the time of the arrest, a quantity of contraband including three radio receiving sets capable of world wide reception, fire arms, camera equipment and funds exceeding twenty thousand pesos were confiscated. Information is not yet available as to the final disposition to be made of the group, but they are presently interned in Mexico as dangerous enemy aliens.

IEDA, DR. L. K., with aliases, LUCAS KOZO YEDA, LUCAS KOZO YIDA, M. M. YEDA M. M. YIDA, M. M. IEDA, KABOSO YEDA, KABOSO YIDA, KABOSO I I. K. YEDA, I. K. YEDA, I. K. IEDA.

According to information available, it appears that the above individual came to Mexico in 1926. He established a medical clinic in Navojoa Sonora, Mexico. He founded the Cooperative Day, Pesca del Camaron (Shrimp Fishing Cooperative) on the Pacific coast and was the official representative of the Nippon Suisan Kahyo. He obtained a 50,000 peso fund for the Nippon Suisan Kahyo for hydrographic studies and geologic studies along the coast of Baja California, Sonora, Sinaloa, Nayarit, Jalisco, Colima, Michoacan, Guerrero, Oaxaca and Chiapas (the entire Pacific coast of Mexico). These "studies" were carried out by officers of the Japanese Navy.

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Other information concerning the above individual reflects that he is regarded as a very poor physician but was the recognized leader of all the Japanese in Navojoa and vicinity. It is reported that he did quite a bit of unexplained traveling and this has strengthened the belief that he was engaged in espionage activities. It has been determined that Dr. IEDA is a naturalized Mexican citizen and was evacuated to Mexico City from Sonora on May 19, 1942. While in Mexico City his address was Calle Saltilo #70. Dr. IEDA was included in a group of Axis nationals who departed from Mexico to the United States on May 28, 1942 to be repatriated to Japan.

IIJIMA, RICARDO S.

The above individual formerly owned and operated a drug store in Manzanillo, Colima, Mexico, but his name appeared on a list of evacuees that were ordered to evacuate inland from the State of Colima. The above individual has been reported as probably being the source of intelligence reports regarding British and United States ships. It has been stated that this was done through the means of a private radio but no verification of the above reports are reflected in the files. The above subject was moved from Manzanillo to Guadalajara on March 5, 1942.

IWAMOTO, DR. LUCAS M.

The above individual, a successful dentist in Hermosillo, Sonora, Mexico, maintains a dental office on the corner of Serdan and Avazola Streets, Hermosillo. He is said to have acted for the Japanese Consul in Guaymas in taking care of the interests of the Japanese people around Hermosillo. He has a family consisting of a wife and three children in Tokyo, Japan, who returned there from Mexico in 1939. In July, 1940, Iwamoto made a trip to Tokyo, ostensibly to see his family and returned to Mexico in March, 1941.

He is said to be in comfortable financial circumstances and is reported to have personal custody of his funds which he had gathered together prior to the freezing of Axis funds by the Mexican Government.

He was once accused of espionage activity in an article which appeared in the American magazine, "Ken." It is further reported that he has acted as intelligence officer for the Japanese Government for many years but that since the outbreak of the present war, he has curtailed his espionage activities and nothing suspicious has been noted recently.

It was reliably ascertained that Dr. Iwamoto does not anticipate being required to move inasmuch as he recently obtained his Mexican citizenship papers. He presently has new equipment in his dental office valued at \$10,000 and also owns a truck farm in Ures.

During a conversation Iwamoto stated that during his trip to Japan he had taken a much needed rest and had also taken some courses in dental work. He also mentioned the fact that his oldest boy was only 17 and would not be forced to join the army until he was 20.

He denied that he had ever been an official representative of the Japanese Government and also denied that he had ever carried on any espionage activities for Japan. He appeared, however, to be quite well informed on all propaganda material and corrected an informant on minor details concerning the selling of an oil refinery near Santa Barbara, California as well as giving a detailed account concerning the alleged torpedoing of a ship only twenty minutes after it was launched on the East Coast of the United States.

Iwamoto stated also that the war would last this year only and that San Francisco eventually would be bombed.

It was reported on March 12, 1942, that the Mexican Government was keeping the above individual under observation.

KATO, MIJASAKA

This individual owns a celluloid factory at Avenida San Antonio #337 Mexico City, and has been in Mexico for many years. It has also been reported that he is owner of a store called "El Nuevo Japon" in Mexico City. From a reliable source of information, it has been ascertained that immediately after the outbreak of war between the United States and Japan, Captain Kyoho Hamanaka, the Japanese Naval Attache at Mexico City, attempted to arrange for a substitute to be deported from Mexico in place of himself when and if the Mexican authorities ordered the expulsion of all Japanese diplomats. According to the information, should Hamanaka fail in his effort to obtain a substitute and actually be expelled from Mexico, the above individual would then be the chief representative and "contact" of the Japanese Government in Mexico. It was further stated that the above individual would not be expelled from Mexico with the Embassy officials inasmuch as he had no diplomatic status.

KINYA, K. ANDO AND KUHA, YKUNZO

The two individuals above formerly resided in Tampico but have since moved to Mexico City where their last known address was Avenida Insurgentes 470. These two individuals have been reported as having been engaged in exploratory work of a geophysical nature for the Laguna Petroleum Company which is owned and controlled by Japanese interests in Mexico. Prior to this they did the same type of work for the Veracruzana Oil Company which is also Japanese owned and controlled. Information on hand further reflects that these two individuals are active espionage agents and that they receive the funds necessary to support their activities directly from the Japanese Government through the medium of a Japanese Fishing Company which has branches in numerous American and Central American countries. No recent information is available as to the activities or present whereabouts of the two above individuals.

KONISHI, DR. ICHINOSUKE NISHIMURA

The above individual has been reported as being a Japanese doctor who

resides at Calle Diaz Miron #510, Tampico, Mexico, where he has a dental clinic. It has been noted that his dental clinic could not possibly support the large expenditures of money that he formerly made. It has been further noted that he exercised a great amount of influence among his countrymen and was a very active propagandist for the totalitarian powers. He is alleged to be one of the directors of the Sociedad de Japonesa whose membership rolls include the most pro-Axis individuals in Tampico. He is reported to have maintained direct communication with Japanese cells throughout the Republic of Mexico. It is further reported that Konishi was arrested on April 14, 1942, by Mexican Military authorities and sent to Tres Marias Islas, the Mexican penal institution off the west coast of Mexico.

KUNO, SIGEO alias Shigeo Kuno

The above individual is 41 years of age, a Japanese national and married. He is reported as being the manager of the Domei News Agency in Mexico City and as an inspector of Japanese Consulates. Information in the files reflects that he did extensive travelling throughout Central America between January, 1941, and July, 1941. Although there is no definite information available which would indicate that Kuno was engaged in espionage activities, he was regarded with suspicion inasmuch as he was highly respected by all Japanese and was closely connected with the Japanese Consulates throughout Central America. He was included in a list of Japanese who were sent to White Sulphur Springs, W. Va. to await repatriation to Japan. He was listed as Press attache.

KUTUGATA, JOSE

The above individual resides at Quinta P. Suarez #457, North Monterrey, Mexico. He operates a clothing store and manufacturing shop at Tapia #540 Pte., Monterrey. He has been reported as being extremely pro-Axis and is believed to be the chief source of information in Monterrey for the Japanese Government. He has been reported as having extracted money from local Chinese residents by threatening to have their relatives in Japanese-occupied territory terrorized. He is presently on the United States Proclaimed List of Certain Blocked Nationals and holds naturalization certificate #240 which was issued on August 10, 1928.

MINAKATA, JESUS

The above individual is the owner of the Minakata soap factory in Guadalajara and is a naturalized Mexican citizen. He is the former Japanese Consul in Guadalajara and maintains a fleet of six expensive automobiles which he uses in his business and social activities. It is reported that he receives large quantities of mail from all parts of Mexico and in answering this mail he does not post any of it at the local post office but personally takes it to the departing trains for posting. He is alleged to be the leader among the Japanese in this area and it is reported that upon arrival in Guadalajara most Japanese look to Minakata for advice and guidance. It has also been reported that on the night of December 17, 1941, Captain Hamanaka, Attache of the Japanese Legation in Mexico, visited in the home of Minakata. Upon departing from Guadalajara

on the night of December 29, 1941, Captain Hamanaka took with him one of Minakata's automobiles.

NAITOH, HACHIRO

The above individual owned and operated a hardware store in Manzanillo, Mexico. In February, 1942, he was alleged to have stated that the Japanese had plans to bomb the cities of San Diego and San Francisco during the latter part of February or the first part of March, 1942, when the California coast was subject to heavy fogs. He is alleged to have further stated that the plans for these raids had already been perfected and would be carried out with the aid of carrier based airplanes and that these raids would be conducted without regard for the loss of the carrier or the airplanes therefrom. He is also alleged to have a daughter who is employed in the telephone exchange in Manzanillo. A subsequent report advised that Naitoh has closed his hardware store and moved to Pihuamo, Jalisco, where he is operating a mica mine.

NOMURA, JORGE

The above individual resides at Guerrero #513, Nuevo Laredo, Mexico. He has been reported as operating a small restaurant at Pino Suarez #1363, Nuevo Laredo. Information further reflects that he is alleged to sleep in his restaurant and does not do more than five pesos worth of business per day and is obviously in the restaurant business for a "blind." On March 30, 1942, he is alleged to have stated that "the committee" was "taking care" of the Chief of Mexican Immigration in Juarez, Chihuahua, and also the Chief of the Military Garrison at that place and that for ten thousand pesos the Japanese in the vicinity of Juarez would not be required to move back the required one hundred kilometers from the frontier. He is alleged to receive his mail under an assumed name in Nuevo Laredo and one source of information advises that he is suspected as being engaged in smuggling or connected with an espionage ring. On April 14, 1942, he received a telegram from Omangzuki Sakagudri saying, "Shell has not arrived yet. Send quickly, what are you doing?"

OCE, KINASHITA MORIMATU

On February 14, 1942, the above named Japanese, who stated that he came to Mexico City from Mazatlan, Mexico, became intoxicated and stated that he had to communicate with one of his fellow workers who was located on the Island of Attou which he stated was one of the islands of the Aleutian chain. He is alleged to have further stated that the material necessary for a Japanese raid on the Panama Canal would be forthcoming and that it was presently being stored at Tumaco, Colombia, which is located on the Pacific coast of Colombia close to the border of Ecuador. The above information was made available to General Rojo Rello, Chief of the Mexican Military Intelligence Service and through his office the above individual was detained at the Mexican prison of Santiago to ascertain more information concerning the above raid on the Panama Canal. He was held for three days, during which

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time he was subjected to a most severe line of questioning by the Mexican authorities in endeavoring to ascertain more information. However, no amplifying information was obtained. He denied having any knowledge of Tumaco, Colombia, or even knowing the geographical location of the countries of Colombia and Ecuador. He was released and placed under surveillance but to date no additional information has been obtained concerning him. Subsequent investigation has failed to indicate any basis for his story.

PHILLIPS, A. Z. alias Abraham Zalki Phillips, Abraham Phillips, Abraham Zalki Phillipowsky, Abraham Zalki Phillips Etko.

There are innumerable references indicating widespread suspicion of Phillips, whose activities as a commercial agent of the Japanese Government in Mexico have made him notorious and caused his arrest on at least one occasion. Most of these references deal with the activities of Phillips as a promoter and exporter, dealing in strategic materials on behalf of the Japanese Government. Phillips' activities will be set out under separate categories as indicated by his efforts at various times to obtain strategic materials for export to Japan and possibly to Germany via Japan. He is presently at liberty on bail, having been charged with violating a Mexican criminal statute in attempting to smuggle contraband mercury aboard a Japanese ship at Manzanillo, Mexico in October, 1941.

EFFORT TO PURCHASE COBALT IN CANADA FOR EXPORT TO JAPAN, WITH ULTIMATE DESTINATION - GERMANY

During 1940, Phillips attempted to purchase a large quantity of cobalt from Canada through the Pan American Distributors, 29 Broadway, New York City. Involved in this deal with Phillips was Arthur Briscoe and a lawyer, Carl Shapiro, both of New York City. The cobalt was intended for re-shipment from the United States to Mexico, thence to Japan, and thence to Germany.

The only reason the export of this valuable commodity, which is essential for the manufacture of various munitions, was considered was because the Customs Department of the Canadian Government received a declaration, from Pan American Distributors that it was for the use of the consignee, and not for re-shipment elsewhere. It developed that Briscoe had been contacted by Shapiro and requested to furnish details of black cobalt oxide and also its market value.

Shapiro later advised an individual that Briscoe was in touch with some dealers from Mexico who were acting for the Japanese Government and were willing to pay \$4.00 per pound for the metal F.O.B., New York City. The informant stated to Shapiro that the metal could be obtained if full details as to the principals in the deal were submitted in order to comply with the export permits and licenses. Shapiro then suggested that if they could "fake" shipping receipts, bills of lading, and so forth, and produce them to the Mexican dealers, they could collect

\$50,000 from, to quote the expression "a bunch of spies." The informant declined to do this and stated that he intended reporting the entire matter to the authorities, whereupon Shapiro replied that he would be willing to assist the authorities in any way possible, and that Briscoe had already been in touch with the American authorities regarding the matter. Shapiro then advised that the purchasers were supposed to be a syndicate, known as the Pan American Distributors, or Pan American Exporters, with offices at 29 Broadway, New York City.

Abraham Z. Phillips, a Mexican citizen and resident of Mexico City, had deposited \$56,000 in New York Bank which was to be paid to Briscoe on the production of proper credentials which would establish that 23,000 pounds of black cobalt oxide concentrate had been received. Phillips controlled the capital of Pan American Distributors and made several trips between New York City and Mexico by air, while working on the deal.

The Pan American Distributors proposed purchasing forty tons of metallic cobalt, 97 to 99%, ostensibly for shipment to Pan American Distributors, New York City, but actually for ultimate shipment via Mexico to Japan and Germany. The initial shipment was to consist of ten tons for which the sum of \$56,000 was instantly available. Subsequent letters of credit for similar amounts would be forthcoming, when an additional ten ton shipment was ready. The financing of the shipments of cobalt was to be done by Japan through the Yokohama Specie Bank, although payment was to be made by a letter of credit on the Manufacturing Trust & Company, New York City.

It was ascertained that the Pan American Distributors was operated by Carl E. Lucke and Ben Sagor. The firm had been in existence for about three years at that time and it was said that these two men were interested in practically any kind of a questionable deal involving a profit. Also, that both Sagor and Lucke were completely unscrupulous and would "sell out anybody."

Ben Sagor, 29 Broadway, New York City, originally met Phillips in Mexico City through Carl Lucke. In November, 1940, Phillips came to New York and asked Sagor if it would be possible for him to purchase a supply of cobalt for Phillips, as he wanted to re-ship it to Japan, inasmuch as he had a contract with the Japanese Government. Briscoe was in the office at the time and stated that he had contacts in Canada, and, through pressure in the Irish Parliament, could get the cobalt and ship it from Canada without any trouble.

Phillips gave Briscoe \$1,500 to make the preliminary arrangements. Briscoe went through various motions, tending to indicate to Phillips that he had made such arrangements and Phillips returned to Mexico City, leaving all the transactions with Briscoe in the hands of Sagor. The arrangement was that Briscoe was to get three per cent of the total sale price, and Sagor, acting as agent, was also to receive three per cent.

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Sagor stated that he knew that up to December 31, 1940, there was no restriction on the shipment of cobalt to Japan, believing, however, that on that date such restriction would go into effect. It should be noted that such restrictions were to be restrictions on shipments of cobalt from the United States. However, the Canadian Government, during the entire year of 1940, would not export cobalt to the United States which was known to be destined for Japan or Germany.

Briscoe received a total of \$3,300 from Sagor before it was discovered that Briscoe was not dealing with anybody in Canada for the purchase of cobalt. Sagor, with Phillips' assent, turned all the facts over to a United States Attorney, and suit is presently pending against Briscoe for the \$3,300, which, according to Briscoe, is tied up in Canada by the licensing commission.

It was stated that in 1937, Briscoe had been negotiating for the sale of arms to the Dutch East Indies, and through unscrupulous work on the part of Pan American Distributors and Phillips, Briscoe lost certain commissions, and as a result was not very friendly toward them. Subsequently, when Briscoe learned that Phillips was trying to make a deal for cobalt in Canada, he developed a scheme whereby shipping documents would be "fakes," and on the strength of these "faked" documents, obtain the remittance from Canada of the \$56,000 which could then be seized by the Canadian authorities.

Sagor has advised that Phillips originally began business as a junk dealer. He subsequently married a Mexican woman, by whom he has three children. He has had dealings with the Japanese Government for several years, which dealings began with the sale of quicksilver to Japan and Manchukuo about the start of the present war.

Sagor stated that he knew the cobalt was going to Japan but did not give any thought as to whether it might be going to Germany. The plan was to ship the cobalt from Canada to New York City, and there trans-ship it to Japan.

DEALINGS OF PHILLIPS WITH JAPAN THROUGH AMERICAN EXPORT COMPANY

Information was received from a confidential source in September, 1939, that the American Export Company, S. A., located at Isabel de Catolica Street #33 had been organized by Abraham Z. Phillips, a Polish Jewish Mexican citizen and Alexander Kleyff, a German Jew, also said to be a Mexican citizen. Associated with them was a Mexican Senator, Jose Maria Devila and another Mexican Senator, name unknown. This company was working in conjunction with a Japanese agent named Tukio Nagamatsu, located at Rinconado de San Diego, Mexico City. At that time they were negotiating to barter oil, gasoline and kerosene in exchange for soy beans and raw silk. When they first started they only had one boat, which was operating under British registry.

Cargoes were taken on at Mexican Gulf ports as a rule. However, when the Company was unable to complete a cargo of oil at Tampico, Mexico, it was known to complete the cargo of oil from the Eastern States Refining Company, Houston, Texas. This latter company had a contract with the Mexican Government to purchase and refine Mexican oil. The American Export Company at that time was attempting to obtain large contracts with Japan through the Japanese agent referred to above, and, if successful, they were going to charter a number of tankers for the service. The Japanese, Tuki Nagamatsu, Phillips and Kleyff had several conferences with the officials of the Eastern States Refining Company.

Information was later received that Enrique Estrada, Jose Maria Davila and Miguel Aleman, all Mexican Government officials, had been connected with the American Export Company. However, early in 1941, they withdrew from it and at that time it was fully owned by Phillips and Kleyff.

Mexican Governmental officials ascertained in April, 1941, that Japanese sources had deposited at the Banco de Mexico, 1,500,000 pesos to the account of the American Export Company.

It was reported that Phillips purchased and shipped to Japan about 75% of the mercury sold in Mexico during 1940. The Mexican authorities indicated that as a result of his activities as an agent for the Japanese Government, they were investigating Phillips. It was reported that if he were found not to be a Mexican citizen, he probably would be deported.

Phillips was formerly associated with Sam Katz and Lionel Delkowitz, both of whom enjoy questionable reputations in Mexico.

The American Export Company dealt in the buying of minerals and metals for export from the Pacific Coast to Japan, but it was reported that there was some connection between the American Export Company and the Pan American Trading Corporation of New York. It was also reported that there was a possibility that the ultimate destination of the minerals and metals purchased by the American Export Company was Germany, with Japan serving as a "front" purchaser. The Pan American Trading Company was reported as being the official purchasing company for the German Reich, its representative in Mexico City being Joachim Hertzlett.

It was further reported that Phillips had contacts in the Laguna Oil Company and the Veracruzana Petroleum Company, both of which have offices in Mexico City and both of which were Japanese-owned and financed.

CONTRABAND MERCURY SHIPMENTS TO JAPAN

Phillips was involved in various attempts to smuggle mercury to Japan in 1941. In all probability he succeeded in smuggling large quantities of this valuable and strategic metal.

Exportation of strategic materials, including mercury, was banned in Mexico by Executive Decree on July 10, 1941. On the night of October 4, 1941, Mexican officials, at the instance of American and British Consuls in Manzanillo, examined 347 "drums of bronze" being loaded aboard the Japanese ship "Azuma Maru" in that port. Examination of the drums revealed 1,735 flasks of mercury valued at approximately \$347,000. Contraband zinc bars marked "Rosita" and various quantities of copper were also discovered in the drums. The drums of "bronze" had been shipped from the warehouse of Abraham Z. Phillips, and were said to have been the property of one S. Nagabuchi. The shipment was billed to Antonio Llorens, customs broker at Manzanillo who was personally supervising the loading of the drums on the ship. Jose Basurto, brother-in-law of Phillips, had consigned the shipment to Manzanillo. Further investigation revealed that the ship had unloaded a cargo of artificial silk before taking on the drums.

Phillips, Basurto, Llorens and another person named Jose Obregon, as well as two Japanese named Zusuki and Zousa, were immediately arrested on charges of violating the Mexican customs regulations. The contraband material was seized by the government and mining operations at "La Hedionda Mine," owned by Colonel Bolivar Sierra, from which a large amount of the mercury had come, were suspended by the Mexican Government pending an investigation.

It was found that the mercury was packed in five cylinder lots in ordinary fifty-gallon metal gasoline drums. These drums were lined with lead. There were 347 drums, each containing five cylinders of mercury, the total shipment being 1,735 cylinders of mercury valued at approximately \$347,000. The shipment was contained in two railroad cars which were shipped to a siding near the steamship loading docks about midnight, October 3, 1941. Efforts were made to load the drums on a barge destined to the ship when one of the drums was opened at the insistence of one of the customs officers. A great many efforts were made by various individuals to cause the release of this shipment.

On October 6, 1941, it was reported that a meeting was held in a private room at Manolo Restaurant in Mexico City which was attended by Pedro Chapa, official of Pan American Airways, Frederick G. Valdez, Director of Customs for the Mexican Government, and a Japanese who was probably Dr. Kisso Tsuru, reported to be the Japanese "fixer" of Mexico. It was stated that Chapa was representing General Francisco Mujica whose services had been enlisted to obtain the release of the mercury, and that he had been requested to communicate with the Secretary of the Treasury, Suarez, in an attempt to obtain from him an order to release the mercury. Valdez stated that it meant 10,000 pesos to him. General Mujica was vitally interested in obtaining the release of the mercury but did not desire to appear openly in the matter. He is reported to have stated that if the mercury could be released and shipped from Manzanillo to Lower California, he would guarantee to get it out of that place and on to a Japanese boat.

It is known that Phillips had accumulated vast amounts of mercury which he had refused to sell the American Government. It is also known that Colonel Bolivar Sierra, financed by Phillips, had also accumulated a great quantity of mercury. It is definitely known that Sierra had over 500 flasks of mercury stored in his home in Mexico City.

There was another shipment of contraband mercury en route to Manzanillo at the time of the seizure mentioned above. The car which contained this shipment was stopped at Guadalajara, Mexico due to the seizure of the other shipment. An attempt was made to divert this car and send it to Tampico, Mexico. However, the shipment was seized at Tampico and was found camouflaged in the same manner as the original shipment and consisted of 640 flasks of mercury.

Recent information has been received to the effect that A. Z. Phillips intends to regain possession of the seized mercury shipment by employing legal process, political pressure and, if necessary, bribery of Mexican officials. It has been reliably ascertained that a brief has been prepared by A. Z. Phillips' lawyer, Romero Topete, of Mexico, D. F., and that this brief was handed President Manuel Avila Camacho by his brother, Mazimino Avila Camacho, who allegedly had solicited the aid of the President in granting the release requested by Phillips in his brief.

It was reported that the brief prepared by Attorney Romero Topete for Phillips states as follows:

"Export license is requested of the Customs Department covering determined quantities of metals which were held for legal inspection. The persons in charge of shipping said metals were confused concerning the drums which contained the metals declared for export with other drums which contained mercury. The Customs Inspectors unfortunately did not examine the merchandise for which an export permit had been requested, with the result that the shippers were charged with attempted contraband. Once the shipment had been placed aboard ship with the declaration as made to the Customs, this shipment was denounced as contraband, was searched, and as has been previously stated, it was found that the merchandise had been improperly manifested.

"If the merchandise in question in accordance with the Customs Laws, had been inspected by the Customs Department when it was received, the case would have had little importance, as the materials contained therein which were covered by an export ban would have been held and the barrels could have been exported simply by modifying the declaration covering the entire shipment. However, as has been previously stated, this shipment of merchandise was not inspected when received by the Customs in order to make it appear that there was intent

to ship contraband material and thereby cause the shipper grave consequences.

"In the instant case the Agent of the Attorney General's Office should drop the charges against the shipper for the following reasons:

"Because the existence of an error made by his Department is obvious. The Attorney General's Office requested seizure of the merchandise, which constitutes an arbitrary act on the part of the authorities against individual guarantees.

"In instant case the Attorney General's Office, after having reviewed said case, should have returned the merchandise to its owner in view of the fact that there was obviously no intended contraband. As a precedent in instant case there can be cited the case of Colima, where the authorities ordered the merchandise involved to be returned to its owner. In both cases, that of Colima and that of Tampico, the only charge that could be brought against the owner is one involving tariff concerning improper declaration of merchandise or legal action of any character."

It was reported that President Camacho declined to give the matter any consideration and told his brother, Maximino, if all the allegations of the memorandum were true, Phillips did not need his influence, or that of anyone else, to aid in recovering the seized shipment of contraband mercury.

It has been ascertained that in 1941 a credit of \$325,500 was made available for F. Yamaguchi, the Mitsubishi representative at Mexico City. T. Kobayoshi and F. Yamaguchi had a joint account in the Banco Aboumrad and the \$325,500 was placed to the credit of this account. This money was all drawn out in cash over a period of sixty days and was used to purchase, through Phillips, the contraband mercury that was seized at Manzanillo.

It should be noted that the attempted smuggling of strategic metals by Phillips was in direct violation of the agreement reached between Mexico and the United States.

Phillips and his co-conspirators are presently at large on bail. A source of unknown reliability has stated that the investigator sent by the Mexican Department of Gobernacion was afraid to go into the facts of the case and that he would be disciplined if he became too inquisitive. It was further reported that Llorens had paid Alfonso Garcia Gonzalez, Chief of the Secret Service, ten thousand pesos to clear Phillips and Llorens.

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It has been established that a shipment of mercury was smuggled aboard the "Heiyo Maru" at Manzanillo between September 16 and September 18, 1941. A total of 203 flasks of mercury were reported in the warehouse of Llorens on September 1, and removed to his home on September 6. The shipment aboard the "Heiyo Maru" included 50 tons of "bronze" in the form of drums and cases, shipped by Phillips, and 153 bales of cotton weighing 35 tons, which is excessively heavy for such material.

A Mexican Customs official who was stationed at Acapulco, Mexico in April, 1941, stated that a large shipment of contraband mercury was loaded aboard the "Heiyo Maru" in Acapulco at that time. Shipping records show that the vessel was in the port on April 28, 1941. It should be noted that the Japanese, Shorodu Nakabuchi, who is believed to have shipped the contraband mercury discovered at Manzanillo in October of 1941, has had close connections with Phillips from whose warehouse the mercury was sent.

Additional evidences indicate that Phillips smuggled other quantities of contraband to the Japanese during 1941. During the first two months of 1941, he supplied three shipments of boxes of steel, nickel and chromium to Japanese ships, according to official Customs manifests. None of these shipments were labeled as mercury and the small amount of minerals shipped by Phillips during this period and throughout 1941, according to the manifests, appears suspicious in view of his close connections with Japanese interests.

Various sources and informants have indicated that they suspected Phillips of hiding flasks of mercury in cargoes otherwise labeled. It is believed that Phillips was engaged in widespread smuggling operations throughout the period. He was reported as being at liberty in Mexico City in January and February of 1942; as having been released from custody on a writ of habeas corpus following the Manzanillo incident, pending formal prosecution.

The following is a little background of some of the prominent associates of Phillips. In March, 1941, he entertained two prominent Japanese industrialists, Hajime Kobayoshi, Manager of Mitsubishi and representative of the Japanese War Office, and one Masao Fukamachi, Manager of Mitsui and a representative of the Japanese Admiralty. These gentlemen arrived in Manzanillo on March 11, 1941, and were entertained for ten days by Phillips.

General Enrique Estrada, who is associated with Phillips in the American Export Company, is at present the Manager of the Mexican National Railways. While in exile in the United States, Estrada was convicted of violation of the Neutrality Statutes. Estrada was associated further with Phillips in guaranteeing Cia. Constructores y Pavimentadora, owned by two alleged Italian agents, Carlos and Mario Oriani. Phillips' entire background consistently ties him with individuals whose sympathies

in the present conflict are definitely on the side of the Axis powers.

SUBTERFUGE USED TO SHIP ALUMINUM TO JAPAN

It was reported by a reliable, confidential source that the following method was used by A. Z. Phillips to ship aluminum to Japan.

La Consolidada SA Iron and Steel Foundries acquired in 1936 quantities of materials and machinery. Among this material were four large aluminum tanks about seven meters long and three meters in diameter. About the 20th of January, 1941, one Jaime Chernitzky, owner of a concern to buy scrap iron and steel, located at Calle Cuauhtemoczin #238 prevailed upon the Consolidada to sell him these tanks for \$14,000. The real buyer of this material was A. Z. Phillips and he used Chernitzky as a dummy buyer.

The tanks were shipped by rail from Mexico, D. F. to the port of Manzanillo. The sender was A. Z. Phillips and they were consigned to Antonio Llorens for export to Yokohama, Japan. The total weight was 14,600 kilograms and the freight amounted to \$600.75. It should be noted that had these tanks been shipped in the manner that any normal business man would have shipped them, that is, as scrap aluminum, the charges would have amounted to only \$315.91.

When the aluminum tanks arrived in Manzanillo they were broken up into small pieces and shipped as scrap aluminum. It was reported that special instructions had been issued to the Mexican Custom Authorities in Manzanillo forbidding the exportation of these aluminum tanks. However, it was found that the Custom Authorities in Manzanillo had permitted the exportation of the aluminum scrap because they were unaware that this scrap was the tanks which were mentioned in the order prohibiting their exportation. The aluminum was loaded on the Japanese vessel SS Azuma Maru which sailed May 8, 1941.

It appears from the information in the file that by this subterfuge the shipment was made despite efforts on the part of the Mexican Government to prevent the aluminum going to Japan.

ASSOCIATION OF PHILLIPS' COMPANY PETROLEOS S. A. WITH THE JAPANESE

The files reflect considerable information relative to the close association between the company Petroleos Leon S. A., of Mexico City, whose telegraphic address is Petleonea, and various company and government officials in Japan. It has been reported that the Japanese Government used secret service funds to provide the excess of the true selling price of various strategic materials over the ostensible selling price. For instance, on October 25, 1940 the Japanese, Nagonateu, sent a message to Petroleos S. A. to the effect that the difference between \$64,000 and \$47,000 which was the excess paid for

200 flasks of mercury was to be considered private service funds to be remitted to some place in China. The difference in the amount paid by the Japanese resulted from the paying of \$320.00 per flask of mercury as compared with the regular market price of \$235.00 per flask. The information received indicated that the excess funds paid for the mercury were to be used in Mexico.

The messages that were transmitted between individuals in Japan and the Petroleos Leon Company indicated that two Japanese, Hajime Kobashi said to be the Manager of Nitsubishi and representative of the Military Department of Masaoch Fukomchi, said to be Manager of the Mitsui Company and representative of the Navy Department, went to Mexico on the SS Heiyo Maru. They had a letter of introduction from Funimuga Fujii and about 10 million dollars for funds. As previously mentioned these individuals were entertained by Phillips for ten days. It was reported that the differences between the prices of other material such as cobalt metal, ferro-tungsten and ferro-venadium were handled in the same manner as the differences in prices given for mercury. These prices were considerably in excess of the United States quotations.

Reliable, confidential informants stated that Petroleos Leon S. A. has been observed to have been negotiating shipments of mercury, copper, zinc, metallic cobalt and many other strategic metals to Japan probably for Germany. The principal partner in the concern is A. Z. Phillips and he was said to be financed by Japanese interests. Phillips was reported to be interested in some manner in Centralamer S. de R. L. which is also known as Penimex S. A., Pan American Import and Export of Mexico City. This company was reported to have been concerned in shipments of mercury to Japan as follows:

Four hundred thirty flasks on the SS Vensit Maru, which left Los Angeles on January 31, 1941.

Four hundred thirty flasks on the SS Nex Maru which left Los Angeles on the same date.

This latter vessel also contained ferro-chrome, "high speed" steel and copper consigned by A. Z. Phillips to the Government of Manchukuo, notifying Mitsubishi, Heinkiang; and nickel from A. Z. Phillips consigned to order. It appears interesting to note the tone of the orders directed from individuals in Japan to Petleonsa. For instance in an order to Petleonsa, January 25, 1941 it was stated in part as follows:

"In that time you must offer all quotations including our commission 5% sure as a rule because we need several expenses for this business privately also you remind that never talk about this.

" When you received \$250,000 you must arrange to ship quickly forty tons of ferro-tungsten five tons of ferro-Vanadium, 92

cases 23,000 pounds Metallic Cobalt in the first contract with Manchukuo if you fail shipment our Government will investigate your responsibility strictly with several dreadful methods so that please ship out them as soon as possible and telegram name steamer sailing date sure."

On August 8, 1941 a reliable, confidential informant in reporting the activities of the American Export Company stated that it was one of the most dangerous firms in Mexico relative to National Defense.

On October 7, 1941 it was reported by another Government Agency that Phillips as head of Petroleos Leon S. A. was reported to associate with a number of Japanese in Mexico principally those connected with El Kato and Company and that he was engaged in importing soy beans and caustic soda from Japan for resale in Europe and the United States. The proceeds of these sales were used for the purchase of mercury and other commodities for the Japanese. He had recently made from \$60,000 to \$100,000 in a deal involving mercury and tungsten and that he had been cashing afterwards \$5,000 checks in scattered branch banks around Mexico.

On September 23, 1941 it was reported by a reliable, confidential informant that the Japanese vessel, Heiyo Maru took aboard at the Port of Manzanillo an enormous quantity of oil and water for a 22 day crossing to Japan and also an undetermined amount of "bronze," 11 railroad cars of rosin and 300 liter drums of snow white petroleum, all of which was consigned to Japan by Phillips. The petrolatum had been purchased in the United States by Petroleos Mexicanos, which is the Mexican Government owned oil company and then resold in Mexico to Phillips.

Phillips also tried to ship 200 flasks of mercury on this vessel but was not permitted to do so.

In addition to the above information regarding Phillips there are numerous other references in the file from various sources indicating belief on the part of these sources that Phillips has been and still is acting against the interests of the United States and in the interest of Japan and Germany.

In May, 1942, the subject was in Monterrey, buying mercury, destination unknown. His address was reported to be Isabel la Catolica #33, Mexico, D. F.

ROLLAND, MODESTO C.

Modesto C. Rolland is a Sub-Secretary of the Department of Economy in Mexico but has become closely allied with Japanese capital and interests. He was formerly president and general manager of the Veracruzana Oil Company, of which stock he owns twenty-four per cent, and it is reported that he still holds this office despite his official governmental position. Moreover, he had signed a concession granting to this oil company a huge acreage of land, which action was

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highly questionable and was later nullified by his own government. Inasmuch as it has been reported that the purpose of this concession was to obtain for the Japanese land which would be strategically important for espionage purposes, Rolland himself may be engaged in Japanese commercial espionage activities.

RUFFO, ANTONIO

The above individual, a resident of La Paz, Baja California, is reputed to be one of the wealthiest businessmen in La Paz, and owns the largest general store in this vicinity, as well as a private bank, which is not subject to banking regulations, and a garage. These enterprises are coordinated under the name of "La Perla de la Paz." It has been reported that the above individual receives copies of all telegrams addressed to Americans living in La Paz and possibly copies of all mail addressed to them as well. He is characterized as being an extremely clever business man who started in business together with his two brothers, Roberto and Enrique. Their business was first known by the name of "Ruffo Hermanos and Company." At the present time, however, the above apparently has sole charge of the business and controls most of the commercial enterprises in La Paz. Many of the residents are indebted to him for supplies, and various local businessmen have been financed by him. Information on hand indicates that he is related to Wilhelm Westerman, a Nazi agent. He owns and operates two boats sailing regularly in and out of La Paz; one is the "San Antonio," which is a sailing ship equipped with an auxiliary motor; the other is the "Raul," which is also a sailing ship, but without any motor power. Information received indicates that there is considerable pro-Axis sympathy in La Paz, and the above individual's activities have consistently caused him to be regarded with suspicion.

SANO, SEKI

The above individual, who came from Kwantung, Japan in 1928 and whose last known permanent address was Elba St. #56, Apartment #1, Colonia Chuatemoc, Mexico City, has been reported by numerous sources as being a rabid Japanese Communist and, apparently in contradiction to this, in contact with known undercover German organizations in Mexico. It has been learned that he has lived in Mexico under the protection of the Department of Public Education ever since this department has been under the Direction of Lic. Gonzalo Vela. He drew pay from this department for occasional art work which he was called upon to do and he also received remuneration from the Syndicate of Railroad Electricians.

It has been persistently reported that Sano is a rabid and radical Communist and it is believed that the intensive study which he carries on at home has a definite object. It is further believed that he has received letters written in the German language from Ludwig Renn, Mariano Eliceaga #19, Morelia Michoacan, another prominent Communist in Mexico. He received this mail through Post Office Box 1006, Mexico City, which is a known mail drop used by German undercover organizations. It has also been reported that he made frequent journeys to the United

States and had close contact with Captain K. Hamanaka of the Japanese Legation in Mexico.

The most recent information concerning the above individual indicates that he is no longer employed by the Ministry of Education, but that he does occasional work for the Department of Fine Arts. It is believed that he is still employed by the Sindicato Mexicano de Electricistas as Director of the Teatro de las Artes. He is reported to be married or to be living with an American girl who is a dancer and who uses the professional name of Waldeen. She and the above are reported as rabid Communists. No further information is presently available concerning her.

SUTTON, J. BENJAMIN

Information regarding the above individual indicates that he is possibly a Japanese espionage agent. It has been ascertained that Sutton graduated from West Point in the class of 1913 but left the United States Army soon after graduation because of "an embezzlement." A close acquaintance of the above individual characterized him as being a man of little honor and integrity and "an awfully big liar." It is reported that Sutton made a trip to Japan and the Philippines during 1940 for the alleged purpose of "building a mercury plant somewhere in the Philippines," but for some reason this enterprise did not materialize.

Other sources of information reflect that Sutton is regarded as "A plausible crook," who has spent some time in the Sing Sing Penitentiary. He departed from Manzanillo, Mexico, for Kobe, Japan, via Yokohama, Japan on board the Japanese "Heiyo Maru" on July 22, 1940. It has been reported that Sutton is connected with the activities of Axel Wenner-Gren, whose background is well known.

Further information reflects that Sutton arrived in Mexico January 28, 1942, and was in possession of Mexican Immigration Form #11, #456260. This form reflects that he is an American citizen, 52 years of age, born at Los Angeles, California, 1890, an engineer by profession, and his last place of residence was at the Hotel Fairmount in San Francisco, California. His present address in Mexico City is the Edificio Victoria Calle Lopez #44, Apartment 108, where he has a private and unlisted Mexican telephone J-9941. More recent information reflects that Sutton is confining his interest to the State of Sinaloa, where he is reported to be quite friendly with Governor Loiza of that state. It has been reported that during the latter part of May and the early part of June, 1942, Sutton was in Durango, where he asked Senor Francisco Acevedo, who is president of the local Committee of Civilian Defense, to introduce him to the governor of the state, General Elpidio G. Velazquez, which he did. It has been ascertained that most of Sutton's conversation was devoted to trying to convince the governor that the Allies were losing the war and explaining why and how this was being about. The arguments, however, had no effect upon the governor, who was

not impressed with Sutton's statements.

It is also reported that Sutton has two or three "well-dressed and smooth" Mexican girls who are believed gathering information of an intelligence nature for him. It is alleged that Sutton pays each of these girls 25 pesos a day for their services. It has also been ascertained from a reliable informant that one of these girls, Maria Luz Castanedo, who resides at Calle Nicaragua #15, approached informant on or about April 15, 1942, and advised him to apply for a job with Sutton, whom the Castanedo girl described as being a Japanese spy. Informant stated that he told the Castanedo girl that he was in favor of the democracies and could not work for Sutton, and that he immediately reported the matter to an unidentified detective in the Mexican Department of Gobernacion, who succeeded in "shaking Sutton down" for 1,000 pesos, but never took any other action.

TSURU, DR. KISSO aliases: Tsuro, Tzuro, Tsury, Turo, and Turu

The above individual maintains offices in Mexico City located at Isabel la Catolica #85. He has been reported as being the head of all Japanese activities in Mexico, and it has also been reported that he receives more respect from visiting Japanese than did any of the Japanese diplomats, or the Japanese Minister.

Tsuru has directly or indirectly organized and directed all important Japanese commercial enterprises in Mexico for the past 12 or 15 years. Some of the more important companies which he has directed are: The Turo Mining Company, the Laguna Petroleum Company, the Veracruzana Petroleum Company, Compania Internacional de Comercio, Compania Internacional de Drogas, and Nippon Suisan Kaisha Company. It is also reported that he was to have handled all of the money for the Isthmus Pipe Line which was proposed to have been built by the Japanese.

In a report dated October 3, 1941, a brief resume of Tsuru's activities in Mexico was set out which reflects the following data:

Japanese interest in all investments began in Mexico about 1934. The first organization work was started by Dr. Kisso Tsuru and an associate named Yukio Nagamatsu under the auspices of the Japanese Legation. At the same time Mitsui and Company in Japan became interested in the matter which resulted in a struggle between the Tsuru and Mitsui Company to gain the favor of the Japanese Government.

Tsuru then organized the Laguna, purchased drilling equipment through A. Z. Phillips and began operation. The Laguna company was unsuccessful in locating oil deposits and Tsuru had to reorganize it. The Japanese Government and especially the Navy Department were very much interested in the question of oil in Mexico and backed Tsuru to the extent of forcing important Japanese industrial concerns including Mitsui to back Tsuru's oil enterprises.

Tsuru did not confine his activities to oil and began organizing and operating other commercial enterprises. He was closely connected with Carlos Almazan, a Mexican citizen who is an engineer by profession.

There are numerous reports contained in the Bureau files which tend to indicate that Tsuru and his commercial enterprises have been used also as espionage organizations by the Japanese Government, although no positive evidence is available which would substantiate these claims.

Following the repatriation of the Japanese diplomats from Mexico, certain documents were found in the house formerly occupied by the Japanese Naval Attache, Captain Kyoho Hamanaka, which revealed Dr. Tsuru's importance especially his dealings with Mexican officials.

One document was stamped "extremely confidential" and was addressed to Katsuo Abe, Commanding Officer, Naval Affairs Bureau, as well as to Konomu Onjaku, Commanding Officer, Munitions Bureau and Takazuni Oka, Commanding Officer, Division 3, Navy General Staff. The report itself reviews in detail the efforts of the Taiheiyo Sekiyu Kaisha (Pacific Petroleum Company) and the Laguna Corporation (headed by Dr. Tsuru) to secure oil in Mexico together with the failure of all drillings to produce as expected. The report was dated August 29, 1940, and was prepared by Captain Katsuya Sato, who was the Japanese Naval Attache in Mexico at that time.

The Laguna Company according to Sato was organized principally for negotiations with the Mexican Government. From the start, there was friction between it and the Taiheiyo Company and members of the latter company denounced Tsuru as being dishonest. Sato in his report recommended that all oil purchases be placed in the hands of the Taiheiyo Company. He further stated that "from the time of establishment Tsuru has been a problem." He labeled Tsuru as typifying "the so called business man" and as "attempting to gain too much personal profit."

It appears that the importance placed on Tsuru was due to his ability to deal with Mexican officials. He has on numerous occasions been known to associate freely and intimately with many high government officials. On April 24, 1942, a local daily newspaper carried a decree for formal imprisonment against Dr. Kisso Tsuru. The judge of the Third Penal Court stated that the decree was based on the fact that proof had been secured to the effect that Tsuru had employed deceitful methods in order to become the sole operator of mines owned by the Tsuru Mining Company. The newspaper accounts further stated that Tsuru had appealed.

Information is also available which shows that Tsuru was connected with the A. Z. Phillips Mercury Smuggling Incident which is dealt with fully in another section.

WACHI, Captain TUNEZO Alias Captain Tunezo Wati

The above individual was assistant Japanese Naval Attache to Mexico and was, until he was repatriated along with other Japanese diplomats, extremely active in behalf of the Japanese Government. While connected with the Japanese Embassy in Mexico, he did extensive travelling throughout Central America, the purpose of which is not known to this Bureau. Reports were received on December 16, 1941, relative to the finding of a radio receiver and several typewriters with Asiatic characters buried on the outskirts of the city. The articles were identified as having belonged to the above individual and when questioned regarding them, he admitted ownership of the radio, but denied any knowledge of the typewriters. He stated that his reason for disposing of the radio was that he feared that if it were found in his possession it might place him in a difficult position. He later told conflicting stories regarding the radio, but would not admit at any time ever having owned the typewriters. It has been reported that individuals living near the spot where the articles were buried had frequently seen Wachi's car visiting that particular locality. The above individual was on the list of Japanese diplomats who were repatriated from Mexico.

WAKI, Colonel TADAFUMI

The above individual arrived at the port of Manzanillo, Mexico on October 4, 1941 via the Japanese S S "Azuma Maru." It appears that the Japanese placed the above individual in an important position within their intelligence network in Mexico. He was originally designated as the Assistant Military Attache of the Japanese Embassy in Washington; however, no information is available which indicates he has ever entered the United States. It is further reported that he has in his possession maps of strategic areas in the Hawaiian Islands similar to the maps used by Japanese Naval aviators in the attack on Pearl Harbor. It is believed that most of his time since his arrival has been spent in Mexico City, where he is considered a dangerous individual.

YAMASHITA, FRANCISCO

On March 4, 1942, the Mexican Military authorities raided a restaurant belonging to the above individual in Agujita, Coahuila, and seized a nine-tube Halicrafter Skybot transmitting and receiving set. The radio set is presently being held at the Mexican military barracks at Muzquiz and the above individual is being held for further investigation by the court. It appears that the raid was based upon information to the effect that meetings were held in the above restaurant attended by eight to sixteen Japanese who met nightly. The meetings would start about 1 A. M. and would end at approximately 5 A. M. The exact nature of what took place at the meeting has not been ascertained, but it has been reported that war news was received directly from Japan and that this was later disseminated to Mexicans in the vicinity. No information is presently available regarding the disposition of the charges against Yamashita.

YANOME, ERNESTO M.

The above individual formerly resided in Manzanillo, Colima, Mexico, but has been evacuated inland since the Mexican Government ordered all enemy nationals to be removed from coastal areas. It has been reported that the above was the most active Japanese in the vicinity and was the owner of two dry goods stores, one in Manzanillo and the other in Armeria, a small town about forty kilometers from Manzanillo. He was a member of the Mexican Rotary International and spent a great deal of his time ingratiating himself with the local Mexican authorities and businessmen. He is alleged to have been in constant contact with Jesus Minakata in Guadalajara, Mexico. On December 17, 1941, Mexicans of the Rotary Club held a banquet in honor of the outgoing and incoming Mayors of Manzanillo. At this banquet, Yanome was seated at the speakers table, even though the Rotarians had been warned that it would not create a very good impression. It is also reported that he was an active disseminator of Japanese propaganda and did considerable traveling, the nature of which is unknown.

YMURA, MASAO

The above individual is a Japanese who entered Mexico through the port of Manzanillo, Colima, Mexico on January 28, 1941 as a tourist. He was given a four-month's tourist privilege and was due to depart from Mexico on July 27, 1941. However, on April 10, 1941, he married a Mexican girl in Tuxpan, Michoacan, and his status in Mexico was accordingly changed from that of a tourist to that of an immigrant. The girl's name was Ofelia Villacana Avila. Upon being questioned, Ymura stated that he gave the above girl 1,500 pesos to marry him, in order that he could remain in Mexico. He also stated that he had never lived with the girl as husband and wife. He showed letters dated 1942, 1943, 1944, 1945 and 1946, written by this girl, certifying to the effect that he was her lawfully-wedded husband. The object of these letters was to assure subject's being able to remain in Mexico at least until 1946. Shortly afterward, Ymura entered the employ of the firm of Jiro Oikawa, Republica del Salvador #60, Box 1084, Mexico City, D. F. This firm represented several Japanese commercial houses and Ymura was employed as a traveling salesman. On November 5, 1941, he wrote a letter to Goro Goto, Nagoya, Japan, which contained the following statements:

"I am aware, from reading the newspapers, that two Mexican newspaper men visited Japan. The magazine 'Hoy' is the largest weekly publication here. They printed some wonderful things regarding Japan. Beat those two to death! It is the most anti-Japanese publication here. Its editor, reporters, et cetera all print news concerning the situation but provoke anti-Nazi movements. The two newspaper men are regarded here as a couple of 'pups.' If they return to Japan, beat them to death. In order that I can do something worth while in Mexico, I shall leave in a few days to shoot Roosevelt to death. I shall then go and destroy the Panama Canal. As this will be a sure thing,

I implore you to wait. It is difficult to secure a pistol and dynamite here."

Subsequent to writing the above letter, Ymura wrote a letter to Narumi Kimura, Kyoto, Japan. Excerpts of this letter as translated from the Japanese are as follows:

"The President came into power with the aid of the United States and is therefore an enemy of Japan. The people here have engraved in their minds the injustices suffered at the hands of the American and British some one hundred years ago. Notwithstanding, now nowhere in the Republic does one see hostile acts proper to wartime as one would see in Japan."

Ymura was arrested by Mexican officials on May 26, 1942 and was sent to the Islas Marias Penal Colony on the west coast of Mexico on the night of June 10, 1942. It is anticipated that he will be interned for at least the duration of the war.

Hasegawa of Avenida Juarez #313, Ciudad Juarez, Chihuahua. This plan has obviously been frustrated, inasmuch as Hasegawa was arrested by Mexican officials on March 15, 1942 and is now interned in Mexico City.

Japanese Commercial Activities

The coordinator of intelligence information in the commercial field was a prominent Japanese capitalist named Dr. Kisso Tsuru, who was second in importance only to Captain Hamanaka. Being a long time resident of Mexico, he was widely reported to be entrenched with many high Mexican officials and was known as the "fixer" for all Japanese commercial ventures. Tsuru, himself, was the organizer of a large number of Japanese-financed oil and mining companies. He was also influential in a large Japanese drug firm.

The first of the above mentioned oil companies was the Laguna Petroleum Company, which was legally organized on May 14, 1934 to explore and exploit Mexican oil lands. It was backed by the Pacific Petroleum Company of Japan, which is an agency of the Japanese Navy. This company was granted a 95 year concession in the state of Veracruz and had a capital of one million pesos made up of ten thousand shares.

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Her Excellency, Madame Miura
Three girls, 12, 11, and 5 years; one boy, 6 years
Miss Hatsu Mochimaru, nurse.

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Two boys, 7 years, 1 year and 7 months.
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Early in 1940 these companies were reorganized. The Compania Mexicana de Petroleo, which was financed by the Taiheyo Petroleum Company of Japan, became the holding company and its concessions were transferred to Compania Mexicana de Petroleo Veracruzana S. A., which took over all drilling operations. The prominent people in the management of this reorganization were Dr. Kisso Tsuru, Carlos Almazan, Modesto C. Rolland, and Dr. Francisco J. Mujica, ex-Minister of Communications. Information received indicates that the Compania Mexicana de Petroleo Veracruzana S. A. was started as a promotion scheme to attract Japanese capital to Mexico and the company never had the intention of actually exploiting Mexican oil fields. This organization was said to be utilized for the obtaining of military information and it was further reported that it maintained a large staff, mostly Japanese, which was sent to various parts of the country whenever any important work or projects such as the Tehuantepec Railroad or the construction of a pipe line across the Isthmus of Tehuantepec was undertaken. This staff was said to be entirely unfamiliar with the production of oil, which might indicate an ulterior motive of its persons. All the land controlled by the Compania Mexicana de Petroleo Veracruzana S. is located on or near the Gulf of Mexico and might possibly provide airport or submarine base facilities.

At the end of September, 1940, it became apparent that the activities of the Veracruzana Company resulted in a complete failure from the point of view of oil production, and oil exploitations were definitely uneconomic and all operations on the Isthmus of Tehuantepec were abandoned in May, 1941. Similar action took place in September, 1941, regarding the company's other oil properties.

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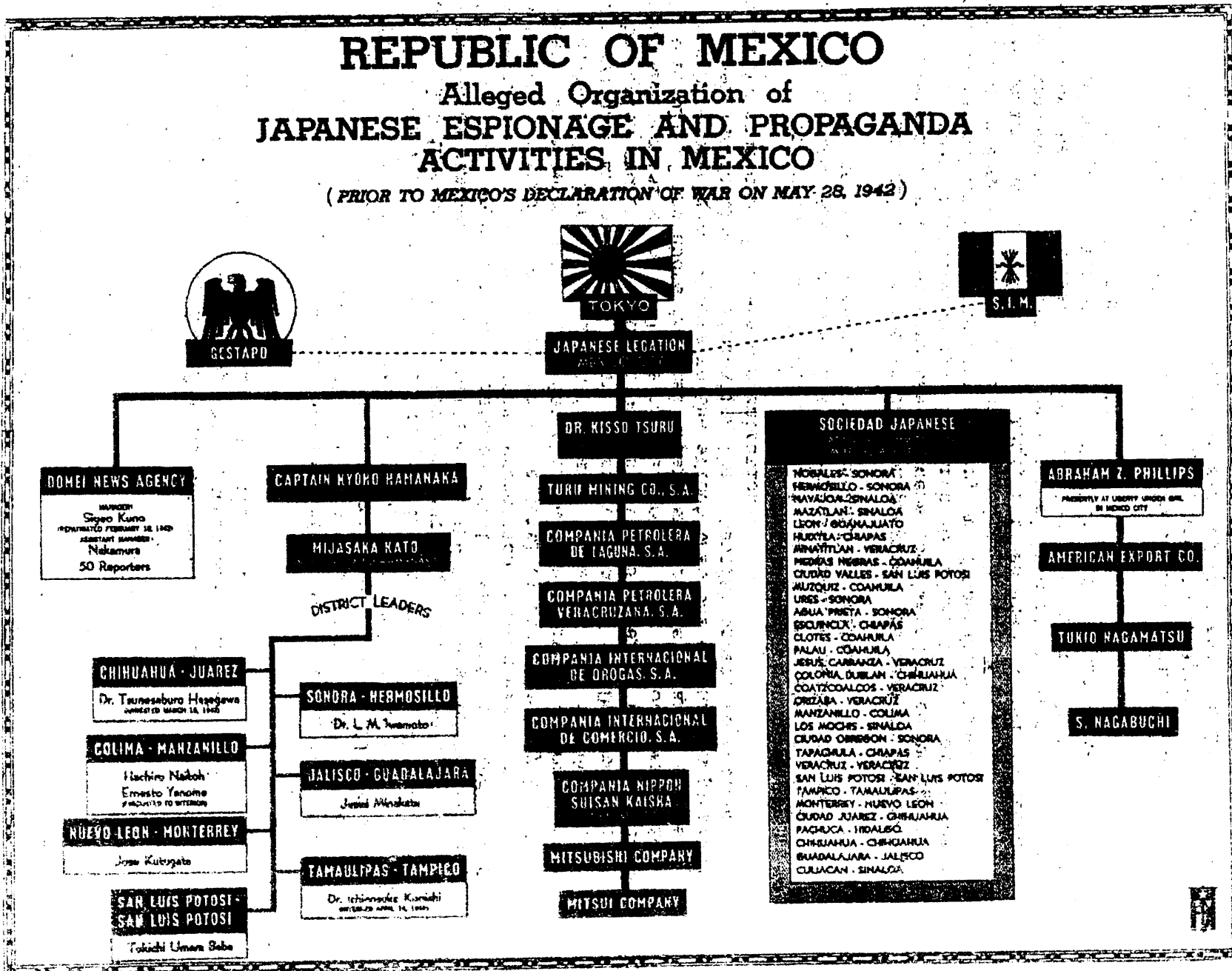
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Alleged Organization of JAPANESE ESPIONAGE AND PROPAGANDA ACTIVITIES IN MEXICO

(PRIOR TO MEXICO'S DECLARATION OF WAR ON MAY 28, 1942)



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**JAPANESE LEGATION
MEXICO CITY**

DOMEI NEWS AGENCY

MANAGER:
Sigeo Kuno
(REPATRIATED FEBRUARY 12, 1942)
ASSISTANT MANAGER:
Nakamura
50 Reporters

CAPTAIN KYOHO HAMANAKA

MIJASAKA KATO
(SUCCESSOR TO HAMANAKA)

DISTRICT LEADERS

CHIHUAHUA - JUAREZ

Dr. Tsunesaburo Hasegawa
(ARRESTED MARCH 15, 1942)

COLIMA - MANZANILLO

Hachiro Naitoh
Ernesto Yanoine
(EVACUATED TO INTERIOR)

NUEVO LEON - MONTERREY

Jose Kutugata

**SAN LUIS POTOSI -
SAN LUIS POTOSI**

Tokichi Umara Baba

SONORA - HERMOSILLO

Dr. L. M. Iwamoto

JALISCO - GUADALAJARA

Jesus Minakata

TAMAULIPAS - TAMPICO

Dr. Ichinosuke Konishi
(INTERVIEWED APRIL 14, 1942)

DR. KISSO TSURU

TURU MINING CO., S. A.

**COMPANIA PETROLERA
DE LAGUNA, S. A.**

**COMPANIA PETROLERA
VERACRUZANA, S. A.**

**COMPANIA INTERNACIONAL
DE DROGAS, S. A.**

**COMPANIA INTERNACIONAL
DE COMERCIO, S. A.**

**COMPANIA NIPPON
SUISAN KAISHA**
(MEXICO CITY)

MITSUBISHI COMPANY

MITSUI COMPANY

SOCIEDAD JAPANESE
(JAPANESE COMMITTEE OF
MUTUAL ASSISTANCE)

NOBALES - SONORA
HERMOSILLO - SONORA
NAVAJOARIZONALOA
MAZATLAN - SINALOA
LEON - GUANAJUATO
HUIXTLA - CHIAPAS
MINATITLAN - VERACRUZ
PIEDRAS NEGRAS - COAHUILA
CIUDAD VALLES - SAN LUIS POTOSI
MILIZQUIZ - COAHUILA
URES - SONORA
AGUA PRIETA - SONORA
ESCUINCLU - CHIAPAS
CLOTES - COAHUILA
PALAU - COAHUILA
JESUS CARRANZA - VERACRUZ
COLONIA DUBLAN - CHIHUAHUA
COATZACOALCOS - VERACRUZ
ORIZABA - VERACRUZ
MANZANILLO - COLIMA
LOS MOCHIS - SINALOA
CIUDAD OBRERON - SONORA
TAPACHULA - CHIAPAS
VERACRUZ - VERACRUZ
SAN LUIS POTOSI - SAN LUIS POTOSI
TAMPICO - TAMAULIPAS
MONTERREY - NUEVO LEON
CIUDAD JUAREZ - CHIHUAHUA
PACHUCA - HIDALGO
CHIHUAHUA - CHIHUAHUA
GUADALAJARA - JALISCO
CULIACAN - SINALOA

ABRAHAM Z. PHILLIPS

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