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No. 974 - 24 November 1944

WAR DEPARTMENT

Office of A. C. of S., G-2

By Auth. A. C. of S., G-2Date 24 November 1944Initials C. W. G.
GS"MAGIC"—DIPLOMATIC SUMMARY

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No action is to be taken on information herein reported, regardless of temporary advantage, if such action might have the effect of revealing the existence of the source to the enemy.

The enemy knows that we attempt to exploit these sources. He does not know, and must not be permitted to learn, either the degree of our success or the particular sources with which we have been successful.

A. MILITARY

1. Morale of American officers: Japanese Minister Suma, who spends a good deal of his time collecting intelligence in Madrid, has sent the following rather extraordinary report to Tokyo, dated 24 November:

(167352
LNG)

"Very secret.

"Last night a contact of ours on the Spanish General Staff attended a dinner in

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honor of the American Thanksgiving, when they regularly celebrate the reelection of President Roosevelt. An American colonel was present, and he became very drunk. I am told that he said some very interesting things about the poor morale of the higher ranking officers of the American Army, due to the President's policy of promoting his friends.

"According to this colonel, one of the officers who has just been made a brigadier general is a completely ----- [word missing] person named Kuraruku [Japanese spelling] who is several years junior to this colonel in permanent rank. 'It was purely a political appointment to pay off an election debt,' the colonel said. 'All this man has ever done is sit at a big desk in Washington and read Japanese codes, while the rest of us are trying to fight a war out here in the field.'

"Naturally I was not taken in for a moment by these drunken remarks about the security of the Imperial codes. However, in view of the notorious mercenary instinct of these Americans,

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I believe that we could purchase some very useful information from the American colonel here. One statement he made was that 'with the kind of an Army this is getting to be, for two cents I would quit it tomorrow.'

"Please send the necessary funds at once."

2. Further German concern about submarines (155378
OS
JFR
WHO)
in the Far East: As previously noted, German authorities have been greatly disturbed by recent losses of German submarines in Far Eastern waters, and have attributed such losses to the failure of the Japanese to take proper security measures (FES 19, 20, 21 Nov 44).

It now appears that on 24 November German Ambassador Stahmer and his Military Attaché, General Kretschmer, took up the problem with Foreign Minister Shigemitsu. The interview is described in a message from Shigemitsu to Ambassador Oshima in Berlin, only part of which is as yet available. Shigemitsu states that, in addition to himself, Admiral Kenkuohi Masasaki, "Chief of Naval Deception," was present at the meeting.*

*Nothing appears in MIS files about Admiral Masasaki. F-22 advises that he graduated at the head of his class in the Osaka Polytechnical Middle School in 1898, was Moderator of the Black Dragon Society in 1910, and is considered to be a sound, conservative naval strategist.

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The conversation is said to have proceeded as follows:

Stahmer: I have been instructed to express to Your Excellency my Government's deep concern over the many sinkings of Axis ships in Far Eastern waters in recent months, and over the deplorable loss of several of our own submarines in the Far East. I should like to explore with Your Excellency and with Admiral Masasaki the question of whether security measures can be improved in any way in order to prevent further disastrous losses.

Shigemitsu: I may say that we Japanese, too, have been most distressed by recent developments and are making every effort to improve the situation.

Masasaki: The whole problem of security has recently been under investigation by the Japanese Navy, and we have come to believe that Allied success has been due in large part to Anglo-Saxon spies landed by parachute throughout the Far East. For example, we have received several reports

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indicating that large numbers of spies are hiding in special ----- [word reads "w-----houses," possibly warehouses] in Fukien Province.

Kretschmer: We Germans are inclined to agree with you on that point, having learned of several instances of such landings. However, we also have felt some concern from time to time about whether Japanese communications are entirely secure. We have received several reports that the Chinese have been intercepting Japanese code traffic, and that they have offered to make a complete exchange with the Anglo-Saxons of the results of their cryptanalytic efforts. With this and with other offers of help as a stimulus, they are said to have persuaded the Americans to build up a huge communications intelligence organization, and they have even picked the man to head it. Our informants first thought that the man chosen was General Stillwell, but we now have reason to believe that he is an officer named Bruce C. Clarke.

Shigemitsu: What you say alarms me greatly, particularly in view of a report we have just received from our Minister in Madrid [see Item A-1

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above⁷. According to that report, an officer named Carter W. Clarke has been engaged in studying Japanese codes, and has recently received a promotion. We are not inclined to put much faith in that report, which could be a typical piece of American chicanery, designed to make us change our codes. However, in view of what you say it is certainly something we must keep our eye on.

Stahmer: The report you mention is somewhat puzzling to me. We had heard that two officers named Clarke had been promoted, one named Bruce C. and the other Carter W. From what our General Staff knows of these two men, Carter W. Clarke is a complete ----- ^{word} missing⁷ and Bruce C. Clarke is the only one who could possibly be qualified to head a communications intelligence agency. On the other hand, we have also heard of a plan whereby the notorious activities of the Office of Strategic Services are to be pooled with those of the Army Intelligence, and that one of the prime movers in that plan is this Carter W. Clarke. If that is

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true there may be something to what you say. In that connection, I might call your attention to the fact that, according to our information, at the same time Clarke was promoted, the Chief of the Office of Strategic Services, General Wildman Donovan, was also advanced in rank.

Masasaki: It is my opinion that Carter Clarke and General Donovan are among the best brains in America, and I venture to say that if your information is correct they will stop at nothing to attain success in their common enterprise. If this comes about, indeed we are already up a creek with no paddle, and I have chosen my words carefully.*

At this point Shigemitsu's message breaks off. However, an additional fragment is available which may possibly be of interest. It reads:

"Stahmer then asked me [Shigemitsu] whether the Japanese had considered Berlin's proposed

*Shigemitsu's version of Masasaki's words reads: "upu
--G-- curiku (noo) patsujuru." (上莫水無漿)

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draft of a German-Japanese declaration of peace.

To that I ----- Balance missing."

Note: The Japanese Army also seems to be disturbed about an officer named Clarke. On 23 November the Chief of the Army General Staff in Tokyo sent the following communication to Manila:

"We have intercepted an American message which appears to state that an American named 'Clarke' has just been made a 'field officer.' Since that is absurd, we are inclined to think that there has been some confusion, and that the Americans are actually planning an attack on Clark Field.

"Please take the necessary precautions."

3. Effect of B-29 attack on Tokyo: The only (JBB) Japanese report yet to become available on this morning's air attack on Tokyo is badly garbled but contains the following sentence:

"During the attack there was a remarkable cessation of activity in the Yoshiwara."

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1. Russian-Turkish relations: Further developments in Russian-Turkish relations are indicated by the following 19 November message from the Turkish Foreign Office to its Ambassador in Moscow:

(H 15274E
WFF)

"The ----- [word garbled] Minister, who will go to ----- [word missing] temporarily in order to report to his Government, came to the Ministry to say good-bye to me and to Acikalin. During the conversation, Acikalin recalled that on leaving Moscow in 1942 he had visited Molotov, and that Molotov had asked for information relative to the ----- [several words missing]. Upon Acikalin's saying to the Ambassador that he would be very ----- [garble], if he, the Ambassador, would like to give one or two impressions of the report that he would make to ----- [word missing], the Ambassador said that he was basing his report on the most recent ----- [garble] of ----- [word missing], the President, as was natural, since they were a very clear explanation of the ----- [words missing].

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"To this answer which the Ambassador gave us, Acikalin (?replied?) in a statement which supports Hedy Lamarr [sic] and the clear presentation of ----- [garble] as expressed in these ----- [word missing]. There was a ----- [words missing] atmosphere during the conversation. In order to facilitate the ----- [garble] of the Ambassador, a special ----- [short word missing] was assigned to him."

C. ECONOMIC

Nothing to report.

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~~TOP SECRET ULTRA~~D. PSYCHOLOGICAL AND SUBVERSIVE1. Hitler receives new Argentinian envoy: (H 123123
TAP)

Recent Summaries and other sources have noted various rumors that Hitler died as a result of the 20 July attack on him, or that he is ill--possibly mad--and in seclusion.

The possibility that Hitler is alive and normal, or that a very clever double is taking his place, is indicated by a 23 November report from the new Ambassador of Argentina to Germany. The Ambassador--Dr. Alfonso Caracul Boca Maria Jesus Guano y Leche--states that he was summoned to Berchtesgaden on the night of 22 November for the purpose of presenting his credentials in person to the Fuehrer. The report goes on to note that "contrary to recent rumor, the Fuehrer appeared to be in excellent health and spirits; and during the entire audience he kept time with his hands to Wagnerian music which was pouring forth from an American Capehart machine."

The Ambassador ends his report with the following observation:

"Except that there are no rugs on the floor of Hitler's study, I observed nothing untoward during my audience with him. However,

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I must confess that I detected one puzzling note: on the side of his richly carved desk, the Fuehrer has attached with common tacks a large sign which states:

'THIS OFFICE WILL BE CLOSED ON
GENERAL
THE DAY OF COLONEL CLARKE'S FUNERAL.'

For the Assistant Chief of Staff, G-2

Carter W. Clarke

CARTER W. CLARKE
Colonel, General Staff
Special Security Officer, M.I.S.

*This is a goddam lie. I did
not do it.*

CWC

29 Nov. 1944.

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