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B-7:

This is a little old but if I gather the intent, I believe the Director is & will be cognizant of all points derived from other sources ~~etc~~

RATIONS

February 1944

Via: Op-16-1
Op-16-1-B

Subject: Comments on the Op-16-B-7 Method of Operation, with Particular Reference to the Japanese Problem.

1. In view of your conversation with Captain Perry and myself Monday, 31 January 1944, the following comments and additional information ^{is} respectfully submitted for consideration.

2. Experience has shown that in accordance with its mission, Op-16-B-7 operates most effectively as a headquarters staff function because its primary task is that of analysis and evaluation of information and data from all sources to produce intelligence on espionage, counter-espionage, subversion and sabotage within the realm of Naval Interest. Intelligence so produced is disseminated to proper Naval Authority as a guide for Naval Commanders to make (estimates of the situation and) plans for counter-intelligence measures to protect the Navy. The section also disseminates such intelligence as it may develop to other federal intelligence agencies having primary or collateral interest. To perform its tasks Op-16-B-7 utilizes information from all sources - Navy, Army, OSS, FBI, State, and so on. The section head does not construe the section mission to warrant or justify investigative action, in the technical sense, by the section.

3. It is clearly indicated that B-7 functions in any Naval Command - the Districts and Forces Abroad - should also be on the same headquarters basis, to handle the flow of information from the field and cooperating non-naval units.

4. ONI began its work on the Japanese shortly after the last war. At that time no other federal agency was interested or active in that particular field. Op-16-B-7 took over that part of the Japanese problem coming within the purview of its mission when the section was authorized in 1940. No other federal agency entered this

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In reply refer to Initials
and No.

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Op-16-B-7

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

2 February 1944

Memorandum for The Director

Via: Op-16-1
Op-16-1-B

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with Particular Reference to the Japanese Problem.

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field until after passage of the Espionage and Sabotage Acts in 1939. FBI completed its organization and entered the field to a restricted degree about the middle of 1940. ONI, through Op-16-B-7, provided FBI and MID with their basic file material on Japanese 8 March 1941. (It was) the suspect lists prepared by ONI (which) formed the basis of action by FBI in its custodial detention arrest of key Japanese in the United States on the outbreak of the war. As a result Japanese espionage activities were badly crippled.

5. The course of the war and the increasing effectiveness of FBI in the intelligence type of investigative work, as distinguished from the police type, has reached a point where the question of concurrent investigative jurisdiction of Japanese, in the United States and other parts of the Western Hemisphere where FBI has prime jurisdiction, should be reviewed to determine the possibility of ONI withdrawing in such areas and the Delimitation Agreement being so modified.

6. It is submitted that the following factors should be thoroughly weighed in relation to the ultimate decision.

What do - ?

- (a) FBI has always maintained that its duty does not include evaluation of information it received - that its responsibility ceases when the information has been received and passed on to the agency concerned. (Several incidents can be cited where FBI information reported to ONI was without foundation of fact, because there was no evaluation of the source as to reliability, ability or motive).
- (b) FBI for a considerable period of time after the outbreak of the war refused to make any investigation as to possible sabotage if a labor controversy was involved in the case, despite the fact there were substantial indications the enemy was fomenting labor trouble to curtail U.S. war production.
- (c) FBI contends that its investigative activities are restricted by statute and hence cannot:
 - (1) Make any investigation unless the act investigated indicates strongly a violation of federal law.
 - (2) Make a character investigation of any kind unless there is actual suspicion of espionage, subversion or sabotage plus criminal acts.
- (d) FBI hesitates to make any investigation which it believes will not rather certainly produce evidence for ultimate conviction.

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- (e) Items (c) and (d) indicate that FBI's tendency is predominately punitive rather than preventive. This is the opposite of the Op-16-B-7 concept.
- (f) FBI flatly refused to make any investigation of American citizens of Japanese ancestry that may be requested by Coast Guard if the program for employment of such citizens in the merchant marine developed by Admiral Waesche's conference is ratified and put into effect.
- (g) FBI is barred from activity outside the Western Hemisphere by terms of the so-called Donovan charter for OSS.
- (h) It is reliably reported that FBI has been requested by State to curtail activities in South and Central America and indicated that unless done Chiefs of Mission will apply such curbs as may fit.
- (i) FBI withdrew from the Japanese-American Joint Board - representing Army, Navy, Justice and WRA - charged with passing, in advisory capacity, on Japanese for release from WRA centers and employment in industry vital to the war effort. Because of Op-16-B-7's superior files on Japanese, this threw the main load of work on ONI so far as review of data was concerned.
- (j) FBI does not have personnel competent to recognize significance of various activities of Japanese, Koreans, Chinese and Filipinos because of lack of background and experience in Oriental matters.

Respectfully,

Wallace S. Wharton

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