

6 March 1946.

MEMORANDUM for Captain C.F. Hays, USN.

Via: Capt. L.E. Frost, USN.
Comdr. A.L. Benedict, USN.

Subj: Foreign Subversive Activities, ONI Responsibility for.

- Ref: (a) Op-23X Secret Memo on subject: "Op-23W (Special Branch) Establishment of," dated 29 Oct. 1945.
 (b) Op-23X Conf. Memo on subject: "ONI - Organization of," dated 15 Feb. 1946.

1. It is submitted that work of the kind discussed here - subversive activities, espionage and propaganda directed to the United States - all concern abroad and of ONI's and other senior officers' concern about the matter, this memorandum is submitted to review the problem and present a possible solution for consideration.

2. Recently, as you know, the Chief requested special briefing on a problem of Communist activity in a foreign country. The D Branch, which worked overtime in handling that particular assignment (time did not permit collaboration or shifting the job), raises the question of the responsibility for such functions and expresses the opinion that the regular briefing of ONI on foreign subversive developments is not, under present arrangements, considered to be their task; nor do they have the staff necessary to undertake it.

3. ONI's interest in subversive activities abroad extends all the way from instances of official espionage specifically aimed at the U.S. Navy, to instances of groups in one country working against groups in another to create a situation in which general U.S. interests may be involved. Under fast-moving present world conditions many of the problems which arise in connection with subversive activity abroad cannot be nicely fitted into ONI categories of "Naval interest", "domestic", "foreign", etc. Similarly it is

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an artificial distinction to attempt to segregate the study of foreign espionage and sabotage from the often equally covert fields of ^{foreign} political subversion and propagandas. The only specific mention of Soviet counter intelligence is in para 4. It is submitted that work of the kind discussed here - espionage, sabotage, subversion and propaganda inimical to the United States - all comes within the counter intelligence field. By directive the collection, evaluation, research and liaison relations involved in this work in ONI have been divided between the D and T Branches, but not, unfortunately, in a completely satisfactory manner. The D Branch (through D4) understands its mission to cover espionage, sabotage, counter-espionage and subversion within the Naval Establishment - i.e., the Naval Districts and specific foreign areas where the U.S. Navy has some regular organization. Foreign counter intelligence responsibility (i.e., outside the Naval Establishment) is not so clearly defined. Ref. (a) delegated to Op-22WS work on "foreign espionage, counter-espionage and sabotage organizations which direct activities against the Naval Establishment outside the United States and its possessions." By agreement between D4 and WS this was interpreted to mean WS would assume major responsibility for knowledge of espionage, counter espionage and sabotage conducted outside the Naval Establishment, while D4 would exercise its somewhat broader counter intelligence function within the Naval Establishment. This arrangement, it should be noted, left unassigned the large and important field of foreign subversive activities other than those which

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can be narrowly defined as espionage, counter espionage and sabotage.

5. Ref. (b), setting up the Y Branch, leaves the problem even more unsettled. The only specific mention of foreign counter intelligence is the statement charging Op-23Y1 with the maintenance of monographs on foreign intelligence services. Thus there is at present a fairly serious gap in ONI coverage which Capt. Whitfield, Lt. Odr. Coleman and the undersigned request be resolved. This gap may be summed up in the following terms: There exist a variety of more or less undercover means, such as the of political parties owing an allegiance abroad, of the press and manipulation/of minority or other interested groups, whereby one foreign nation may act against another and thus, as in the Middle East, against ultimate United States interests in a given area. It is this kind of activity which is felt to be properly called subversive. It does not, however, come within the limits, strictly defined, of espionage, counter espionage and sabotage, responsibility for which is assumed still to lie with Op-23Y1. The question is: Who has primary responsibility for covering subversive activities as just described?

6. From the viewpoint of Op-23Y113 the geographic delimitation between D and Y Branches on the basis of Naval Establishment is a practicable one; we should like to retain it, assuring complete coordination by close liaison with the D and Y Branches. Furthermore, we should appreciate consideration being given to enlarging our mission to make it the nearest possible foreign counterpart of the D4 mission, by assigning to us

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responsibility for such subversive activities abroad as those suggested in the preceding paragraph. Under such an arrangement continued maintenance of the foreign intelligence monographs, collaboration with SSU and MIS, and research on highly classified materials are believed to be entirely logical and necessary. The major drawback would be lack of research and clerical personnel; however, this is a problem which must eventually be solved anyway if work of such obvious and demonstrated importance is to be undertaken.

Respectfully,

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