

February 20, 1942

MEMORANDUM FOR ALL SECTION HEADS

SUBJECT: Conference, Office of Attorney General, February 26, 1942.

1. The Attorney General has called a conference at his Office on Thursday, February 26th. It is believed the purpose of this conference is problems presented by foreign intelligence services operating in this country, and it is further believed that at this conference the Attorney General will explore methods of control over foreign intelligence activities in the United States domain.

2. While I expect that this problem is largely one concerning FBI, still I want careful thought put on the subject by section heads and a memorandum from each submitted to me whether there are any suggestions or recommendations or not. I feel that our nature of interest will probably be to insure that any controls that may be installed will not operate to our disadvantage. The ship observers scheme is one point that I have in mind. If controls imposed would prevent information that now flows to us via Captain Hastings from being obtained, I presume the same information would be obtained by other agencies. In this respect we would have interest. In the controls imposed do not prevent the gaining of information, then the manner in which Captain Hastings transmits it to us would seem to be without the scope of the pending conference.

3. Please have your memoranda in my hands not later than 1700 Tuesday.

J. D. W. Waller

Attention is called to the fact that guards at many of the places in the Park are employees of the General Service Corporation, which together with the Park Corporation, are controlled by the United States Trust Company and are not internally loyal.

*Secret*

MEMORANDUM for Commander Wharton.

SUBJECT: Suggested Agenda for Conference with Attorney General  
February 26, 1942.

Reference: (a) Memorandum from Capt. Waller to all Section Heads  
Feb. 20, 1942.

1. Reference (a) indicates that the conference with the Attorney General will probably concern itself with the problems presented by Foreign Intelligence services operating in this country, and methods of control <sup>of</sup> for those activities by agencies of the Government.

2. It is the belief of the German Desk, Counter-Intelligence Section, that the topics mentioned below might well receive attention. They are examples of methods by which information concerning ship movements and cargoes may be made available to enemy intelligence agencies. The following are the topics referred to :

(a) \* security and policing of steamship piers and docks. A memorandum prepared by the German Desk on February 20, 1942, subject, security of piers in New York City, revealed that the guards on many of the piers in New York were employees of the Oceanic Service Corporation. This Company, together with the Jarka Corporation which controls it, must be viewed with suspicion because of their connection with the Hamburg American Line. The Jarka Corporation has subsidiaries engaged in stevedoring and other waterfront services in many of the shipyards of the United States. It is not known whether conditions similar to those prevailing in New York exist in other ports but if so there is an evident means at hand for foreign intelligence agencies to gain information concerning ship movements and cargo. These conditions also offer facilities for sabotage.

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(b) It is believed possible that another medium for the obtaining of information by foreign intelligence services concerning ship movements and cargoes may exist through cargo forwarding companies and exporting groups. Information has recently been received that the American Grain Export Assn. is in the process of working out a new code of procedure and will pick its own czar in the hope of avoiding the appointment of an outsider by the Government. It is reported that one Jules Salmanovich is being considered for this position by the Association. Information on file reveals that this individual is head of the Superindence Company, Inc., of New York, which company is affiliated with a world wide organization of grain and cargo agents whose operations must be viewed with grave suspicion.

(c) The location and control or suppression of clandestine short-wave radio stations which may be operating from United States territory and furnishing information to foreign intelligence services.

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3. While ~~in~~ measures to prevent the furnishing of information to the enemy through the means suggested above would probably be within the province of the Federal Bureau of Investigation, it is believed highly important that such measures be worked out and enforced in cooperation with the Office of Naval Intelligence. The Navy has a paramount interest in the security of ship movements and of the waterfront in general and it is believed that the Office of Naval Intelligence has the obligation of bringing to the attention ~~to the attention~~ of other federal agencies conditions which threaten the security of the Naval Establishment in the manner suggested above.

*Peter Belin*  
Lt. USNR.

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NAVY DEPARTMENT  
OFFICE OF NAVAL INTELLIGENCE  
WASHINGTON, D. C.

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February 24, \_\_\_\_\_, 1942

MEMORANDUM FOR Commander W. S. Wharton,

16-12036 GPO

In reply to your request for a memorandum to be used in forming a reply to the Department of Justice's request for an opinion as to the policy covering subversive organizations, it is the opinion of B-7-F that it would be more advantageous for the gathering of information of subversive activities, if there were not outright suppression of such groups.

There seems to be no direct indication of the value of a change in the old "intelligence" policy that the allowing of a certain amount of free rein to such groups will lead us to more information and to the people directing such activities.

*H. H. Eddy*  
H. H. Eddy,

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NAVY DEPARTMENT  
OFFICE OF NAVAL INTELLIGENCE  
WASHINGTON

*Secret*

In reply refer to No.

Op-16-B-7-J

February 24, 1942

MEMORANDUM for Commander Wharton

Subject: Custodial Detention of Japanese, New Policies Concerning

In accordance with your request for information concerning the above subject, which will be used by Captain Waller at the conference with the Attorney General, the following is submitted.

It is believed that all suspects classified as dangerous should be taken into custody, and that those classified as potentially dangerous should be put under surveillance, looking forward to the reclassification and detention of many individuals in this category.

This opinion reflects the ideas of Commander Davis and Commander McCollum (head of Far Eastern Section, F-2). I discussed this matter generally with Commander McCollum yesterday, who said that during times of peace, it was good technique to permit suspects to remain at large in order to catch "bigger fish", but that in time of war, Japanese suspects should be apprehended and taken into custody.

As was pointed out in the "Summary of Japanese Intelligence and Propaganda Activities during 1941", released by this desk December 6, 1941, the focal point of the Japanese Espionage System appeared to be shifting to Latin America. It was noted that in time of war, the Japanese planned to use negro and white groups in this country (particularly anti-war organizations) for the collection of information concerning the national defense and war effort, as well as for the dissemination of propaganda designed to discredit our democratic form of government and bring about disunity.

At the present time, it is believed that the machinations of the Foreign Office in Tokyo against the United States include the use of the services of some alien Japanese, some naturalized Japanese, some Nisei (second generation Japanese), and some Kibei (second generation Japanese who have received the greater part of their education in Japan) in this country to supplement the efforts of the War Intelligence Machine operating in Latin America. This would appear to be particularly true in the case of those individuals who are known to belong to one or more of the military organizations with chapters located on the West Coast and throughout the Pacific Northwest.

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Because it is believed that the Japanese Intelligence System is a decentralized one, it is felt that it can be greatly damaged by taking suspects into custody. This belief is substantiated by previous estimates of the situation made by Commander Davis, to the effect that there are many individuals operating independently, responsible to no one, whose activities do not lead into the many concentric circles which comprise the organized Japanese Intelligence Machine.

*W. A.*

William Abbott

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