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NAVY DEPARTMENT  
Office of Naval Intelligence  
WASHINGTON

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October 28, 1941

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MEMORANDUM

To: Branch and Section Heads;  
Subject: General Board Secret Publication.  
Enclosure: (A) Extracts from subject publication.

1. The extracts contained in Enclosure (A) are brought to the attention of all Branch and Section Heads.
2. It is requested that those officers consider carefully the share of their offices in the accomplishment of the ends desired, and determine in their own opinion whether such responsibilities are being adequately met, and, if not, what remedial measures are necessary.
3. Comments and/or recommendations regarding these extracts, and any necessary measures to accomplish the aims outlined, should be made to the Director via the Branch Heads.

/s/ T. S. WILKINSON,  
Captain, U. S. Navy,  
Director of Naval Intelligence

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EXTRACTS FROM GENERAL BOARD SECRET PUBLICATIONINTELLIGENCE SERVICE

- (a) Take immediate steps to bring the Naval Intelligence Service to a state of mobilization to permit the training of personnel necessary to efficient functioning of that Service on the outbreak of hostilities.
- (b) Develop the necessary organization to handle espionage, counter espionage, sabotage and subversive activities within the Naval Establishment.
- (c) Take steps to insure the reliability of civilian personnel having access to classified matters.
- (d) Obtain any additional legislation required to insure security against alien-manned fishing boats, vessels and aircraft operating in waters adjacent to the continental United States and our outlying possessions.
- (e) Employment of agents in potential enemy countries for possible subversive activities should be initiated.
- (f) The employment of funds for the purpose of influencing political personnel in foreign countries tending to be inimical to the interests of the United States should be initiated.

SECURITY OF SHIPS, ANCHORAGES, BASES AND NAVAL INDUSTRIAL ACTIVITIES.(A) Against Subversive activities and Sabotage

- (a) Take immediate steps, through cooperation and coordination with Army, Federal and appropriate local agencies, to insure adequate security of activities on shore.
- (b) Expedite completion of plant surveys through mobilization of Naval Intelligence.
- (c) Initiate steps toward obtaining appropriate and effective measures to deal with unsatisfactory conditions in the Merchant Marine.

INTELLIGENCE SERVICE(a) General

Generally speaking the Naval Intelligence Service has insufficient trained personnel and will not be adequate until trained personnel are available for all mobilization billets.

A great deal of the work of Naval Intelligence should be done prior to war. This is particularly true of our domestic intelligence with its task of security. Complete functioning of the Intelligence Service at the outbreak of war will insure a more complete information service and will reduce initial sabotage as well as render less effective espionage and subversive activities. It will also facilitate imposition and functioning of censorship.

EXTRACTS FROM GENERAL BOARD SECRET PUBLICATION (CONT)

A very high percentage of mobilization billets is filled by Naval Reserves. Difficulties have arisen as to physical deficiencies of personnel previously enrolled, when called to active service. Considerable time is necessary to investigate personnel prior to enrollment.

The following steps should be taken immediately in connection with the Intelligence Service:

- (1) Make necessary funds available.
- (2) Make necessary space available.
- (3) Enroll reserve personnel to mobilization requirements.
- (4) Train personnel.
- (5) Mobilize personnel.
- (6) Employ civilian personnel to full requirements.

(b) Domestic Intelligence

Domestic Intelligence comprises the Intelligence Services within the Naval Districts and within the United States directly under the Director of Naval Intelligence, Its personnel consists of regular naval personnel, reserves and civilians including a small but increasing number of agents. Only a small number of the senior officers in the District Intelligence organizations are indoctrinated and in general the state of training of reserves and agents is deficient. Commandants must be made to realize the importance of Domestic Intelligence in its relation to security. The training of personnel, military and civilian, should be prosecuted to the utmost.

In the prosecution of its task of domestic security, Domestic Intelligence is interested in subversive activities and sabotage, as affecting the Navy, and in counter-espionage. It is interested in the Naval Service afloat, in the shore stations of the Navy and in commercial industrial facilities and utilities affecting the Navy. When such functions as investigation, plant protection, travel control and merchant ship inspection are considered it is apparent that departments of the government other than the Navy are concerned.

The service of domestic information and security can be improved by better coordination of the various government agencies.

(c) Foreign

The Foreign Intelligence Service comprises Naval Attaches, Naval Observers, Naval Consular Shipping Advisers and Agents employed from time to time. Difficulty is encountered in obtaining authority from some foreign countries to place Naval Observers in their colonial possessions. In general, progress has been made in the foreign field but complete mobilization should be accomplished.

EXTRACTS FROM GENERAL BOARD SECRET PUBLICATION (CONT)(d) Counter-Espionage - Sabotage - Subversive Activities

By order of the President the investigation of espionage, counter-espionage and sabotage matters is handled by the Federal Bureau of Investigation, the Military Intelligence Division of the War Department and the Office of Naval Intelligence - the Directors of these organizations forming a committee for the purpose of coordination. By intra-committee agreement, the Office of Naval Intelligence assumed responsibility for investigation and disposal of all cases in the categories of espionage, counter espionage, sabotage and subversive activities within the Naval Establishment, including civilians under Naval control. This coordination has not proceeded beyond the investigative field. Measures should be taken for the apprehension of suspects, whenever possible, before they can do harm.

Steps to insure the reliability of civilian personnel having access to classified work in correspondence should be taken.

(e) Public Relations

The office of Public Relations was removed from the Office of Naval Intelligence May 1, 1941, and placed directly under the Secretary of the Navy.

(f) Legislation

Unless activities in the vicinities of our coasts of alien-manned fishing boats, vessels and aircraft with their potentialities of espionage and sabotage can be curbed by execution of present laws, legislation to effect security against such activities should be enacted immediately.

SECURITY OF SHIPS, ANCHORAGES, BASES AND NAVAL INDUSTRIAL ACTIVITIES(a) Against Subversive Activities and Sabotage1. Afloat

Security afloat is in the hands of appropriate commanders.

2. Ashore

Security of activities on shore is inadequate. The Division of Naval Districts is aware of the situation and is working on it but a high degree of coordination among government departments, especially between the Army and Navy, and between the Federal, State and other local governments, must be established at the earliest moment and maintained.

The present system of surveying shore activities and advising management (government and commercial) of improvements to be made for the purpose of security is sound as to method. Government and non-government plants having Navy work are inspected by the Federal Bureau of Investigation or the Office of Naval Intelligence. In general, the management is guided by the results of the survey. When management demurs, pressure is brought to bear by the bureaus having contracts.

EXTRACTS FROM GENERAL BOARD SECRET PUBLICATION (CONT)

The entire field of contractors has not been covered and, due to the load on the Federal Bureau of Investigation, the Office of Naval Intelligence is taking over the survey and instructional work formerly done by the Federal Bureau of Investigation.

The present plan of procedure should be followed until security is effected. While effective plans may exist for prevention of damage to material, constant vigilance is necessary for subversive activities directed at undermining morale and loyalty.

### 3. Merchant Marine

There is no adequate security against subversive activities in the Merchant Marine, the investigation of which is in the hands of the Federal Bureau of Investigation. Labor unions do not desire the personnel of the Merchant Marine to join the Naval Reserve and often take positive preventive action. The loyalty of Merchant Marine radio operators as a group has been repeatedly questioned.

The seriousness of having disloyal radio operators and other personnel in merchant ships cannot be over emphasized. Legislation has been introduced in Congress, but not enacted, prohibiting members of the Communist Party, German American Bund and certain other organizations from being licensed as radio operators. Appropriate and effective measures to insure loyal Merchant Marine personnel must be pushed to the utmost.

### 4. Public Utilities

The protection of public utilities such as railroads, bridges, waterways, is at present a function of the Army. Plans based on coordinated inter-departmental agreement are not yet worked out so that the Army can proceed with definiteness on M-Day. It is understood this protective work may be taken over by the newly organized "Civil Defense."

### Under heading of BUREAU OF AERONAUTICS

Improvement is likewise desirable in the promulgation of Observers Reports from foreign countries. Unnecessary delay in the dissemination of this vital information, due to "Secret" classification, impairs its usefulness. Personnel engaged in material design matters should have such information readily at hand immediately.