

**QUOTAS AND NUMBER OFFICERS, ENLISTED MEN, AGENTS AND CIVILIAN PERSONNEL ON DUTY
OR EMPLOYED THROUGHOUT THE ENTIRE NAVAL INTELLIGENCE ORGANIZATION.**

OCT 1 1942

NAVAL DISTRICT	REAR ADMIRALS		CAPTAINS		COMMANDERS		LIEUTENANT COMMANDERS		LIEUTENANTS		LIEUTENANTS JUNIOR GRADE		ENSIGNS		WARRANT OFFICERS		TOTAL OFFICERS		ENLISTED PERSONNEL		AGENTS		CIVILIAN PERSONNEL	GRAND TOTAL ALL PERSONNEL
	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY	QUOTA	ON DUTY				
FIRST	0	0	0	0	4	2	22	11	44	32	67	16	51	35	52	43	240	139	164	149	15		23	326
THIRD	0	0	1	1	5	3	23	24	121	52	149	43	54	65	44	50	397	238	648	474	37		15	764
FOURTH	0	0	1	1	1	1	10	8	31	27	54	24	65	77	18	31	180	169	141	136	14		4	323
FIFTH	0	0	0	0	3	1	16	8	39	30	69	37	44	34	27	38	198	148	234	153	18		15	334
SIXTH	0	0	0	0	1	0	8	6	16	14	23	16	35	20	77	6	90	62	113	109	2		10	183
SEVENTH	0	0	0	0	3	2	5	3	23	19	51	20	36	42	16	21	134	107	140	114	1		7	229
EIGHTH	0	0	1	0	2	2	11	5	47	36	73	35	42	45	26	26	202	149	222	365	19		2	535
NINTH	0	0	1	0	5	1	18	8	47	23	75	35	30	94	13	12	190	173	366	365	14		2	554
TENTH	0	0	1	0	0	1	6	8	29	16	23	21	14	21	3	3	76	70	31	52	0		21	143
ELEVENTH	0	0	1	2	5	2	20	15	55	32	69	27	0	35	16	28	166	142	136	151	8		57	358
TWELFTH	1	1	1	0	5	0	20	7	84	29	101	41	13	38	42	24	267	140	779	364	40		28	573
THIRTEENTH	0	0	1	1	2	1	15	11	44	28	31	11	50	20	2	3	145	75	86	84	11		17	187
FOURTEENTH	0	0	1	1	4	0	17	10	66	20	38	17	0	57	10	9	136	114	247	197	0		12	323
FIFTEENTH	0	0	1	0	1	0	6	8	13	13	29	9	0	13	0	0	50	43	31	49	0		13	105
SEVERN RIVER NC	0	0	0	0	0	0	0	0	0	1	2	1	1	1	0	0	3	3	3	2	0		0	5
POTOMAC RIVER NC	0	0	0	0	1	1	2	2	21	6	12	8	0	12	0	0	36	29	8	8	1		0	38
VICE CHIEF NAV OPER	1	1	10	11	20	18	50	47	110	109	150	95	150	121	9	10	500	412	912	583	52		348	1395
TOTALS	2	2	20	17	62	35	249	181	790	487	1016	456	585	730	285	305	3010	2213	4261	3355	232		575	6375

TOTAL OFFICERS ON FOREIGN DUTY NOT INCLUDED 318

**DISTRICT INTELLIGENCE OFFICER, ASSISTANT DISTRICT INTELLIGENCE OFFICER, AND THE
OFFICER IN CHARGE OF VARIOUS SECTIONS IN EACH NAVAL DISTRICT.**

NAVAL DISTRICT	DISTRICT INTELLIGENCE OFFICER	ASSISTANT DISTRICT INTELLIGENCE OFFICER	OFFICER IN CHARGE OF SECTION A	TOTAL OFFICERS SECTION A	OFFICER IN CHARGE OF SECTION B	OFFICER IN CHARGE OF SECTION B-3	TOTAL OFFICERS SECTION B	TOTAL OFFICER SECTION B-3
FIRST	COMDR E. M. MAJOR	COMDR E. F. JEWELL	LIEUT E. W. HUNT	8	LT COMDR S. LINDSAY	LIEUT R. W. HIDY	127	110
THIRD	CAPT R. C. MAC FALL	COMDR W. B. HOWE	LIEUT P. H. DATER	9	COMDR W. B. HOWE	LT COMDR C. R. HAFENDEN	227	143
FOURTH	CAPT W. T. SMITH	COMDR T. A. THORNTON	LIEUT J. S. HATFIELD	19	COMDR T. A. THORNTON	LIEUT W. G. ELLIOTT	148	96
FIFTH	COMDR G. J. GASS	LT COMDR F. F. AMES	LIEUT G. PILCHER JR.	6	LT COMDR F. F. AMES	LT COMDR L. E. RIGGINS	141	103
SIXTH	LT COMDR F. P. MORTON	LT COMDR F. P. MORTON	LIEUT T. C. STEVENSON	2	LT COMDR F. P. MORTON	LIEUT B. F. STEPHENSON	59	41
SEVENTH	COMDR R. M. FORTSON		LT COMDR H. B. TAYLOR	7	LT COMDR H. D. PADGETT	LIEUT M. T. LITTLE	97	37
EIGHTH	COMDR W. S. HOGG	LIEUT C. D. ELLISON	LIEUT W. MOORE	8	LT COMDR J. O. FERNANDEZ	LIEUT R. D. SAMSOT	139	107
NINTH	COMDR B. O. WELLS		LIEUT S. B. MOXLEY	16	LT COMDR T. F. CULLEN	LIEUT L. C. KERSEY	156	146
TENTH	COMDR R. L. WALKER	LT COMDR J. M. KRAUSE	LIEUT R. B. HOUSTON	2	LT COMDR J. B. HANCOCK	LT COMDR R. M. REID	66	23
ELEVENTH	CAPT B. L. CANAGA	CAPT M. E. MANLEY	LT COMDR H. E. CATTERMORE	9	LT COMDR C. A. PERKINS	LT COMDR D. J. HAYS	129	71
TWELFTH	REAR ADMIRAL R. A. MC CULLOUGH	LIEUT H. M. MC LELLAN	LIEUT H. P. SCHLEMMER	13	LT COMDR E. J. KERRIGAN	LIEUT J. E. SCHOALS	124	87
THIRTEENTH	CAPT H. C. DAVIS	COMDR L. S. MAY	LT COMDR E. J. FRIEDLANDER	4	LT COMDR R. G. BUDWIN	LIEUT D. F. HEDLUND	69	52
FOURTEENTH	CAPT I. H. MAYFIELD	LT COMDR A. J. LOWREY	LT COMDR F. B. HERMAN	11		LT COMDR O. LUDWIG	100	66
FIFTEENTH	LT COMDR R. P. NOISAT		LIEUT J. O. IVES	4	LT COMDR J. T. GLANCY	LIEUT S. BETANCOURT	36	14
SEVERN RIVER NC	LIEUT E. M. JACKSON JR	LT JG E. W. CLENDENIN	LIEUT E. M. JACKSON JR	1	LT E. M. JACKSON JR	LIEUT E. M. JACKSON JR	1	1
POTOMAC RIVER NC	COMDR L. C. DUNN		COMDR L. C. DUNN	1	LT COMDR F. A. VARNEY	LIEUT R. W. GRISWOLD	27	26
VICE CHIEF NAV OPER			COMDR N. M. PIGHAN	84	CAPT J. B. W. WALLER	LT COMDR R. WHITLEY	161	74
TOTALS				189			1600	1067

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RECORD
OF
CONFERENCE OF DISTRICT INTELLIGENCE
OFFICERS

NAVY DEPARTMENT, ROOM 4710

October 19 through 23

1942

WASHINGTON, D. C.

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Rear Admiral R. P. McCULLOUGH, USN (Ret.)	DIO 12ND
Captain R. C. MacFALL, USN (Ret.)	DIO 3ND
Captain B. L. CANAGA, USN (Ret.)	DIO 11ND
Captain W. T. SMITH, USN (Ret.)	DIO 4ND
Captain E. B. NIXON, USN	Prospective DIO 7ND
Captain H. C. DAVIS, USN (Ret.)	DIO 13ND
Comdr. L. C. DUHN, USN	Intelligence Officer, PRNC
Comdr. W. S. HOGG, USN	DIO 8ND
Comdr. B. O. WELLS, USN (Ret.)	DIO 9ND
Comdr. E. M. MAJOR, USNR	DIO 1ND
Comdr. C. J. GASS, USNR	DIO 5ND
Comdr. H. S. COVINGTON, USN	Prospective DIO 12ND
Lt. Comdr. F. MORTON, USNR	Acting DIO 6ND
Lt. Comdr. J. T. GLANCY, USNR	Representative of DIO 15ND
Lieut. E. M. JACKSON, JR., USNR	Intelligence Officer, SRNC
Comdr. E. A. HAYES, USNR	ONI
Comdr. D. D. DOUGLAS, USNR	ONI
Lt. Comdr. F. E. POLLIO, USCG	Intelligence Officer, U. S. Coast Guard Hdqs.
Lt. Comdr. R. H. THAYER, USNR	

CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS

Navy Department, Washington, D. C.

Assembly, Room 3076, 1000, October 19, 1942

Reception by the Director of Naval Intelligence

REAR ADMIRAL H. C. TRAIN: The conference that we are opening this morning was called to get all the District Intelligence Officers together, so all could become better acquainted and so all could have a free and frank discussion on all phases of intelligence. I feel that our personal contact here will do a great deal to iron out any differences or misunderstandings which may exist. I also feel that frank personal conversations of a few days will do many, many times more good than reams of letter writing.

In the Secretary's conversations with me, he has shown an intense interest in the Naval Intelligence Service and has indicated that this Service should be and can be of tremendous value to the entire Naval Service. I feel that we are rendering a very valuable service to everyone at the present time; but I know he is aware of some of the shortcomings, and is aware of the fact that in some cases obstacles may have been placed in our way in trying to accomplish our aims.

As you know, recently three letters were disseminated. These letters constitute a somewhat new conception of the Intelligence Service, at least as far as the domestic field is concerned. District Commandants have been requested to make recommendations for transfer to other duties outside the Intelligence Service of those within their organizations who are not fitted for Intelligence duties. There has been a fine response to this letter, and many officers--probably fine officers--but not intelligence minded-- will be transferred to general duties. So you see there can be no cause in the future

for lack of quality in the Intelligence personnel.

After nine months of operating under war-time conditions, it has been rather clearly demonstrated that an Intelligence Service cannot be decentralized, that it must be tightly held in one central organization. Another of the three letters that I refer to indicated this. I am confident that the officers on duty in this office will be able to pursue this newly announced policy without causing undue opposition or antagonism with the rest of the District organizations as they are thoroughly aware of the obligation that remains to provide the necessary intelligence service to the Districts even though more positively controlled by Washington than heretofore.

The last letter dealt with the coordination of Operations and Intelligence and was made necessary by the disinclination in some Districts of operating personnel making full use of Intelligence. This letter also indicated that the operating forces would look to the Naval Intelligence Service for the necessary information and would call on that service for such information that was not being furnished, and would not set up duplicate and parallel channels. Besides preventing the duplication of effort, this last provision itself should force inclusion of Intelligence into Operations in its proper niche. It is manifest that personnel conducting operations cannot do so as successfully if they must divert themselves by the collection of information as well.

There is another letter, which we hope to send out which will announce with even more force than heretofore the manner in which Intelligence is to be included, both in the Districts and in the Sea Frontiers' Intelligence Centers.

Akin to this subject is the fact that Air Combat Intelligence has given some of us trouble. The Secretary of the Navy has advised me that he wants only one Intelligence Agency, and I think that before long the proper marriage will have been effected between the Air Combat Intelligence and Naval Intelli-

gence.

Not only has the Secretary shown a great deal of interest in Naval Intelligence but the Commander in Chief, Admiral King, and the Vice Chief of Naval Operations, Admiral Horne, have both demonstrated that their thoughts are running in the same channels.

It is not the purpose of this office to burst headlong into the new channels, nor to absorb a great many functions previously performed by others. However, it is the purpose of the office to control the policies and the manner of functioning along the fundamentals and to be actively in support of the District Intelligence Officers in their efforts. This we should be able to do without having to participate in local details and with no lessening of initiative on the part of the Districts. However, we must maintain an active interest in all activities carrying Intelligence functions.

I feel that we shall be fully occupied through Thursday and possibly through Friday. We have planned its conduct so that after certain officials have spoken for us, we will have two seminars a day of approximately one and one-half hours duration. These seminars will be conducted by devoting twenty minutes to one-half hour on outlining the topics for discussion without interruption, and thereafter a round-table discussion for the remainder of the period. No formal pre-arranged luncheon or dinner has been arranged, as I felt that most of you would much prefer to utilize that time in looking up old friends and to be free to accept invitations. Each of you, of course, will be equipped with a schedule for the entire conference and with an agenda for each seminar. Considerable thought has been given to the elimination of lost time, and I trust that we will be able to adhere fairly closely to the schedule. Each day has a period when the little points that do not justify the time of the conference can be taken up with the appropriate Branch and Section Heads. I anticipate that a number of these points will be identical in the same

District. You will be asked to indicate what section you would like to consult so that a schedule can be arranged for your convenience. Broadly speaking the conference will get underway daily at ten in the morning and is scheduled for adjournment about six. However, we may have to start earlier if experience so indicates.

I hope that when the conference is over you will all feel that it has more than justified the inconvenience to you individually and the loss of time from your Districts. I feel sure that the office will benefit richly from the round-table discussions and your presence here. Naturally, I and the officers under me stand ready to be of the fullest assistance to you.

With the idea that after the conference has adjourned, the minutes thereof will be of assistance, the proceedings of the seminars will be recorded, edited, mimeographed and sent to each District Intelligence Officer.

I hope the reservations we have attempted to make for you are satisfactory. They are probably not as good as we would like to have done for you, but Washington is a pretty difficult town these days.

CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS ,

Navy Department, Washington, D. C.

Room 2044, 1100, October 19, 1942

Reception by the Secretary of the Navy

HON. FRANK KNOX: I'd like to say at the outset that the whole Office of Naval Intelligence is under test. After watching the operations in Intelligence for a couple of years, I am becoming convinced that it either should be improved or abandoned, and I am convinced that it can be improved and made an extremely valuable adjunct to our military activities. It has not been that in the past, only in a very fractional and disappointing way. I am determined, if humanly possible, to make the Office of Naval Intelligence as important a part of this whole Naval machine as any other part. Certainly with the war becoming as complex as it is and with the war on a global basis like this one, the matter of intelligence is a matter of first grade importance. Now I think I know why it has not succeeded in the past. I may be a bit dogmatic in what I am going to say, but I have reached these conclusions after a lot of study. I don't think the work of intelligence is naturally the work of a man trained in military duties. I think his whole career and education has been directed to activities of a different kind. Therefore, it is a rare thing to combine the qualities of a good military leader and a good Naval officer and the qualities that are essential to a good intelligence officer. Therefore, I have told Admiral Train, with a good deal of earnestness, that the selection of his group must be made with a great deal of care. The thing I want completely abandoned, and that I will stop in its tracks whenever I find it, is the putting of an officer in Intelligence because it is not known what else to do with him. And it has been done all too often in the past. I want you men to go out of this conference with the feeling that the Navy Department and the Secretary are

assessing at its real value the value of the work you are supposed to do. I want you to go away from this conference with the feeling that the Secretary's Office and everyone in it are ready to help you to the maximum degree. I also want those of you who are District Intelligence Officers, when you find you have members of your staffs who are either incompetent or too lazy or too old or in any other way incompetent to do the job you want them to do, to notify us and we will provide you with competent officers in their places. We must not tolerate any longer in this office incompetence, indifference, laziness or any other factor which will detract from the importance of the work you are going to do. We have scarcely begun the activities of a military character. They are going to broaden and steadily broaden as long as the war lasts. Our activities to date, of a Naval Character, aside from submarine work, have been largely confined to the far western side of the Pacific Ocean. It won't be long now until these activities will be matched by activities in the Atlantic. In the Atlantic they will be far broader and more of a general character than the escort of convoys and anti-submarine warfare. As this war broadens out and becomes more and more to comprehend the whole globe as a field of Naval activities, the importance, necessarily, of your work grows, and we have got to strip for action. Get rid of your deadwood and begin to deliver the goods.

For your consolation, I will say that while the work of the Intelligence Department has been unsatisfactory and disappointing, the rest of the Navy is just as much to blame as you are. Most of them don't even know what the Intelligence Department is for, and very few of them have learned to use it. We are carrying out a corresponding educational plan along that line, along with this line in your Department. I want you to be on your watch, you District Officers, for men that you may find in civil life in your Districts who have particularly and peculiarly the qualities which would indicate to

your minds that they might be useful to your staffs and let us know who they are. Don't worry about their physical qualifications. Let's get these men, even if they have to wear glasses or may have other minor physical deficiencies. For the type of work that you must do a man who has somewhat defective vision is all right. He may have some other minor deficiencies -- he may have only one arm -- but if his head is all right that's the important thing. I'd like to have all of you constitute a special selection group to find these fellows who have these qualities required for successful intelligence officers and bring them into your offices. As I have already stated, if you have men in your organization now who are manifestly unfitted for that kind of work or not interested in that kind of work, get rid of them. Have them transferred or returned to inactive work. At least get the barnacles off your bottom so that you can make a little speed. We have got to make speed. The war moves faster every day. This war is faster beyond all comparison than any other war in which we have ever engaged. That means we must have a corresponding setup, for we must secure and deliver the information.

I think that, in a way, Admiral Train, covers what was on my mind to say to these men. I don't want them to leave here with a feeling of discouragement, but rather the reverse. There are a lot of things that the Secretary has had to do since he became Secretary and we couldn't always do everything at once. We have had to get our general expansion, with an enlarged personnel, working smoothly, and we have devoted a lot of time to them. We have had to get our construction program going, particularly with a lot of procurement, and we have paid a good deal of attention to that, but I have finally arrived now where I can tackle this particular problem with all I've got. I want to feel that you men are cooperating with me in an intelligent program with an aggressive and constructive spirit. Again I

want to repeat that so far as the Secretary's Office is concerned you have not only our good will but our anxiety to contribute to the success of this effort to make Intelligence a more effective weapon. I guess that's all I have on my chest.

CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS

Navy Department - Washington, D. C.

AGENDA FOR MORNING SESSION - October 19, 1942

Seminar discussion of recent directives; Serial
01815916; Subject: Naval Intelligence Service. Serial
01816016; Subject: Naval Intelligence Personnel. Serial
01889616; Subject: Operational and Intelligence Activities -
Effective Coordination.

Conducted by Captain Zacharias.

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CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS

Navy Department, Washington, D. C.

Record of First Session, 1000-1300, October 19, 1942

CAPTAIN WALLER: Two Districts have raised the question and most of the others have raised it by despatch, based on Alnav 203, the one which says we must not give out any information to persons not in the armed forces. That was disseminated before any of us had seen it. It raised a great deal of confusion and literal compliance with it would prevent divulging any information to contractors - Carry on as before it was sent out. If a demand is made on us for a file, we have got to get the Secretary's approval before surrendering it. Nothing prevents us from furnishing data to agencies that we recognize have a legitimate need for it.

CAPTAIN ZACHARIAS: Gentlemen, this seminar was set aside for the purpose of discussing what we consider three important letters having to do with the rejuvenation and reactivation of Naval Intelligence. I think you are all familiar with those three letters, which are indicated on the agenda by serial number. In addition to those three letters, we intend to discuss later a fourth letter now in the course of preparation regarding operational intelligence activities as related to intelligence. I will take those letters up in turn and we can discuss them in turn as they come up. At the end of this period, I will run over some additional subjects that you might want to bring up, subjects which have occurred to us, but in view of the fact that some of them will be covered in subsequent seminars and will be brought out in the discussions taking place, I am going to ask you to read over those subjects in order to determine whether you would like to bring them up today.

The first letter, its subject "Naval Intelligence Service," was promulgated because of a belief that there was not a clear understanding on

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the part of the people in the field as to the relationship of the District Intelligence Officer to the Chief of Naval Operations. In this letter, reference was made to ONI-19 and the stipulations therein. This letter was sent forward for the purpose of drawing to the attention of the Commandants the desire of the Chief of Naval Operations to activate the Intelligence Service and exert the necessary centralized control in order to have the Intelligence Service function properly. We hope that that letter was clear and that it has brought forward the desired results on the part of indicating to the Commandants what we desire and the latitude which we expect them to give to the District Intelligence Officers in the administration of their organization. Now I'd like to open that letter up for discussion or for clarification if it is so desired.

CAPT. SMITH: I think it is an extremely timely letter, because before Admiral Train came there was a letter which came out which said that Intelligence Units in other Naval activities were directly under the Commanding Officer of that station. That was misunderstood by the Commandant in my District and tried to be misunderstood by the Officers in Charge of those units, that they were separate and distinct from the District Intelligence Officer organization. I find that the further you get a unit away from the District Intelligence Officer, the more they want to become independent. It takes a letter like this every now and then to bring them back. So this letter, to my mind, is extremely timely, in view of this other letter.

CAPT. ZACHARIAS: As the Secretary indicated this morning, we are in a new era. We will forget what has taken place in the past. In reviewing the situation, I have found that a wrong impression has been created on this subject and the reason the letter was written was for the purpose of

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clarifying that situation. It is vitally important if we are going to function in the future as we hope the Intelligence will function, and as indicated therein. An intelligence organization, to function properly, must be centralized. The military features which the Commandant by reason of command functions are to exercise should be clear and should not be confused with the functions of intelligence.

CAPT. MacFALL told of the difficulties experienced in the distribution of letters to the various commanders which are received in the office of the Commandant.

CAPT. ZACHARIAS: The implication of the letters is that the District Intelligence Officer will advise the subordinate commanders. That has been done in the past and has been done effectively. If anybody objects anywhere along the line to functioning in that respect, the Director of Naval Intelligence should be advised of that fact so that the Commandant can be further instructed as to what is desired. As you gathered from the Secretary's talk, he expects the Naval Intelligence Service to function thoroughly within the sphere of its activities. He has indicated that the ordinary Naval officer does not have the proper appreciation of intelligence and its functions. We realize that it is a selling process that you are endeavoring to accomplish as far as the Commandants are concerned. The fact that he makes out your fitness report must not interfere one iota with your duty of bringing to his attention anything necessary to forward the policy of the Office of Naval Intelligence.

COMDR. HOGG: We aren't having any trouble at all. But I'd like to point out one thing, that is, that intelligence is not self-sufficient. We have got to have communications, we have got to have information from the inter-office control, the operations officer, and all that sort of thing.

don't think you can cut it off too much.

CAPT. ZACHARIAS: In that respect we hope to cover that entirely when we come to the letter on the relation of all activities to the Intelligence.

ADM. McCULLOUGH: I'd like to offer one suggestion that might simplify this--that the Office of Naval Intelligence get out a standard form of orders to a Naval activity. The way it is done in the Twelfth Naval District is to get the Commandant to assign an officer to the military control of that activity, the intelligence activity is administered by the District Intelligence Officer. That has helped out a lot. I issue orders direct--they don't go through the Commandant's office at all.

CAPT. ZACHARIAS: Have those orders removed entirely the interference with the intelligence officers in the outlying areas by the commanding officer of the Naval activity?

ADM. McCULLOUGH: Not entirely, but it has helped a great deal.

CAPT. ZACHARIAS: Why has it not removed entirely the interference?

ADM. McCULLOUGH: Because the intelligence officer in charge of the activity becomes more loyal to the commanding officer than to the District Intelligence Officer.

CAPT. ZACHARIAS: Then it seems necessary for the Commandant to get out a directive to all outlying activities informing them that it is not to be expected that they will know any of the details of intelligence functional technique; therefore, they must rely upon the judgment of the intelligence officer so allocated, and if there ever arises a question of this judgment, the outlying commanding officer will immediately communicate with the Commandant or the District Intelligence Officer.

CAPT. CANAGA: I'd like to say that in our District it has been issued three times, but has not effected the change.

CAPT. ZACHARIAS: Then somebody ought to be removed.

COMDR. MAJOR: In the First District, as a part of the indoctrination and educational program, this type of letter is actually an extension of interpretation of ONI-19. It has been my practice to have copies of these letters sent out with a letter of transmittal saying "forwarding for information and guidance or compliance." Before we have ever installed a unit of any Naval activity, I have taken the officer assigned and seen the commanding officer and explained why he was being put there, and have attempted in that way to win the confidence of the Commanding Officer. It works fairly well.

CAPT. WALLER: What is the better way of handling the situation Capt. MacFall touched upon? Is it better to put a paragraph in the letter asking the Commandant, or directing the Commandant, to effect the necessary distribution, or to send the necessary copies from our office out to the District so that they won't be put to that mechanical necessity of reproducing? Wouldn't it be better to have the letter contain the instructions to the Commandant for distribution?

CAPT. ZACHARIAS: The District Intelligence Officer should see that the distribution is effected.

CAPT. MacFALL: I can't give orders to the Captain of a training station or something like that. They must come from the commanding officer--you can't get away from it. Why not have the Commandant see that this is disseminated and effectively put into operation, then we are operating according to military principles. You can't violate military principles.

CAPT. ZACHARIAS: We can effect the distribution. The District Intelligence Officer is, in effect, the Commandant for effecting that

distribution, and if any objections arise, at least from now on, and the objections are without foundation, I think you can expect support from the Secretary of the Navy in taking action against any obstruction.

CAPT. DAVIS: The Commandant of the Thirteenth Naval District relies on Naval Intelligence to handle its own records. When mail comes in, I immediately have it mimeographed and then send a letter of transmittal with this as an enclosure, and sign by direction from the Commandant to all activities in the Naval District, saying "the enclosure is for information and guidance." Also, it is usual in the bi-weekly conference for the Commandant to take each directive and explain to the heads of every District activity what the contents are, their importance, and his desires in the matter. He also says that he does this so that it will get the dissemination it deserves.

COMDR. GASS: I wonder how many of you have seen a very recent directive, dated September 26, 1942, from the Commander in Chief and Chief of Naval Operations. The Commander in Chief, United States Fleet, does not desire to see the broad and well-established authority and command functions of Commandants circumscribed by special limitations. That was given to me when I tried to effect a better arrangement.

CAPT. ZACHARIAS: Well, I would suggest that when you go back you show to the Commandant the copy of the remarks the Secretary made, and if he is still in doubt he had better ask to have it clarified, because I think I can say that the Secretary isn't fooling at all in what he has said. He intends to have the Naval Intelligence Service an efficient, active organization, and any obstructions that are thrown in the way are going to be swept aside. That means exactly what it says.

CAPT. MacFALL: May I suggest sending the remarks of the Secretary from here?

CAPT. WALLER: That is contemplated.

CAPT. MacFALL: It should be done from here.

CAPT. ZACHARIAS: That is what these letters are. It is contemplated sending a copy of this discussion to the Commandants. It would be up to you to see that this is brought to his attention, because in a great many instances the Commandant is unaware of letters having been sent out because they were not brought to his attention. That is all that we ask here, because it is of great interest to him.

COMDR. HOGG: I'd like to be able to sign letters by direction. If I go sending out a lot of stuff signed by myself, these Naval Air Stations--Corpus Christi and Pensacola--they won't pay any attention. If I sign by direction, something is done about it.

CAPT. ZACHARIAS: It should be remembered that we are all working for the same objective. I am referring only to those cases where a Commandant does not interpret letters in the manner in which the District Intelligence Officer thinks they should be interpreted. You are supposed to have a better background than he has for interpretation of intelligence matters. If his ideas need correcting, it is the duty of the District Intelligence Officer to convince him. If you can't make any headway and are right, then other methods of advising the Commandant of what is desired will have to be employed.

COMDR. MORTON: We had a very favorable reaction from the Commandant on this letter. In fact, he noted in pencil on the bottom, 'An excellent idea as long as the Commandant is kept informed and given the necessary information.' His reaction was extremely favorable.

CAPT. ZACHARIAS: That is the attitude I have always encountered in the Districts with several Commandants. It is a selling job. You run into

the ideas and it is a question of whether you can sell. If you can't sell then we will have to resort to other means.

I think we had better pass to the next letter, 'Naval Intelligence Personnel. I believe that the directive there is clear, and do not confuse this letter with another letter which touched upon those under the age of 28. This applies only to those people who are not pulling their weight. There may be a little confusion in the minds of some regarding this letter because of the fact that certain people were taken in for certain billets which have now disappeared. In that case, it will call for a reallocation of that personnel either in intelligence or some other direction. I think the points in which you are interested will be brought out by opening this letter up to discussion.

CAPT. MacFALL: I'd like that letter to be continued. In other words, it should be an operation to be conducted within two or three months. Our investigation of an officer today indicates that he has considerable value some place, and I have found some officers that have had to be put in three different places, and in the final place they were invaluable. Getting him finally located is the problem of the District Intelligence Officer. I do not like to condemn a person completely until I have made every effort to fit him in where he is valuable. This letter should not be a matter for execution in the next month or a few weeks. Let us have time to fit these people.

CAPT. ZACHARIAS: That is a very good suggestion and the intention of the letter is to have it a continued process because we realize you cannot carry on the weeding out without prejudice to your existing organization. The suggestion that you find a new billet will meet with good reception because in discussing this letter and its results with the Bureau of Personnel, they have indicated that in each case in checking through the jackets of the individuals they find that there is nothing on the record prejudicial to the

individual and in those cases they are somewhat at a loss to know why they have been removed from Naval Intelligence or have been so requested. We have explained to them the reasons why and they are willing to accept that, but they also indicate that they would welcome suggestions as to where these people can be best placed, so I think we should follow that up in subsequent recommendations for transfer.

I think it is generally agreed that it will be a good policy if you can suggest another duty or removal to inactive duty in each case where you recommend that he be taken out of I-V(S). One District, in handling those under 28, even went so far as to suggest when the changes should be made in order to avoid interrupting the present organization, which is a very good idea. That will probably be covered when we come to the consideration of sending young men under 28 to other activities or to sea. I think the above about covers the second letter, unless somebody else has a final question.

CAPT. ZACHARIAS: The third letter, Subject, 'Operational and Intelligence Activities, Effective Coordination,' is in fact the preliminary letter to emphasize to Commandants the necessity for immediate coordinating action. It is planned that this will be supplemented by another letter which we hope to get out before your departure from Washington, going into the details of an organization which can be set up in all Districts and Sea Frontiers to cover needs of operational activities and to cover the needs and functioning of the Intelligence Organization in that picture. It is realized that this subject can provoke a considerable amount of discussion, and I would suggest that we hold the details of that until we bring up the subject of coastal information and operational intelligence in the Districts.

I have discussed the question of security with the Base Maintenance Division and the question of Security Officers of the District being Captains

or Commanders. They have advised me that they will send out a supplementary letter saying that this is desirable but is by no means necessary. Therefore, it is desired to go as far down in rank as is necessary to obtain an efficient District Security Officer. The Commandant, when this letter comes through, should be advised of the fact because Base Maintenance Division now recognizes the difference between the police functions and the intelligence functions and the necessity for the Security Officer being efficient and capable of performing that work.

LT. COMDR. GLANCY: In the Fifteenth Naval District, we have a situation whereby the Commandant is listed as the District Security Officer, and he has assigned a Lieutenant as Assistant District Security Officer. Therefore, the situation is that any dealings which the District Intelligence Officer has with Security is through the Assistant District Security Officer rather than through the Commandant.

COMDR. MAJOR: In the First Naval District, under directive of October 13, 1941, setting up the Security Officer, it was stated that it was very desirable that the liaison officer who was the OCD, should be included or should be the same as the District Security Officer. He has twelve liaison officers in the information center. They report direct to the First Naval District. The Security Officer is actually handling a function of collection and information in that District.

CAPT. ZACHARIAS: Well, that is something that is wrong that should be corrected, and I hope that it will be corrected when we take up the subject of police functions and intelligence functions in security.

COMDR. MAJOR: I believe the District Intelligence Officer should have charge of liaison men in the information center.

CAPT. ZACHARIAS: I think it might be appropriate at this time to

say that you are going to have to raise yourselves one or two echelons and relieve yourselves of certain details that you have been handling in the past in order to take on new directive details. I personally think that our expansion is going to continue until it will be doubled or possibly tripled in all fields, and it is up to you now to prepare for that contingency and relieve yourselves of many minor details that you are now handling in order to prepare for the bigger job you are going to have later on.

CAPT. DAVIS: We will need more regular officers.

CAPT. ZACHARIAS: That question has been discussed also and it is going to become necessary, in view of the Secretary's remarks, to reconcile the need for a certain number of regular officers in the Intelligence Organization as against having them at sea, and that will depend upon the importance of the regular officers in Intelligence as against using them on auxiliaries and other new construction that is coming up. That is a question of policy which we will have to settle here and which will be done in the near future.

CAPT. MacFALL: Asked a question concerning intelligence officers aboard ship and whether the Sea Frontier is a sea command, and if so, under whom the Sea Frontier comes.

CAPT. ZACHARIAS: It is my personal opinion that a proper intelligence organization should have a trained intelligence officer aboard every ship of the fleet. He should be so indoctrinated and so educated that he will be able to cover any questions that any commanding officer or any Commandant can bring up to him, and if we are so provided he will then be able to cover operational intelligence matters as they should be covered and will remove the present difficulties that exist. Just how closely we will be able to approximate that condition, I cannot say, but we have now under consideration the inauguration of the operation of an Intelligence School to provide personnel necessary for those activities.

CAPT. CANAGA: In our District, we have four bases handled entirely by amphibious forces, which is a seagoing unit more complicated than the Sea Frontiers. They should have, and have requested that, intelligence officers be detailed there.

CAPT. ZACHARIAS: Those are some of the specific details that I would like to have incorporated in the record so that we can determine the necessity for intensive instruction along those lines in order to better fit us to fulfill our function. I'd like to arrive at the situation where Intelligence is extending into every field where it should be functioning, and when it does so extend it will be doing the job thoroughly and efficiently.

I have taken the opportunity in my talks to the F-12 (Foreign) and the B-9 (Domestic) schools here to emphasize the necessity for individual officers taking every opportunity that presents itself to make a trip aboard a Naval ship of any kind, emphasizing that that would better enable them to realize the function of serving the fleet. After all, the shore activities' sole reason for existence is to serve the fleet. The more experience these people can get on operating vessels, the better they are going to be fitted to serve the District Intelligence Officer, so that is one point I would like to stress to all District Intelligence Officers. Whenever an opportunity presents itself a few of these individuals should be sent out aboard ship. You will find, as we have in the past in the Eleventh Naval District when I was District Intelligence Officer, that it pays big dividends in every respect, and I am quite sure the Commander in Chief will allow these men to go out at every opportunity provided it is agreeable to the commanding officer.

CAPT. WALLER: Is a frontier a seagoing command?

CAPT. ZACHARIAS: The frontier is a seagoing command.

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CAPT. ZACHARIAS: I just wanted to talk about this outside of the regular agenda already indicated. The Office of Strategic Services and their relation to the Intelligence Office in the District. I don't believe it is generally understood what the functions of the Office of Strategic Service is. I don't know that we can incorporate it here unless we classify this record. I'd like to ask if there have been any handicaps or any assistance.

CAPT. MacFALL: General confusion--neither handicaps nor assistance. They come up there and hire Dunn & Bradstreet, come around to us for confidential information which we refuse to give, and hell's popping.***** Nobody knows who controls them. FBI is alarmed and G-2 is alarmed, locally. I don't want Dunn & Bradstreet having access to our files.*****

CAPT. ZACHARIAS: Those are the very points I want to hear, because the activities of OSS are supposed to be under the Joint Chiefs of Staff and I have felt for a long time that there should be better coordination and better direction than exists at the present time. I might say that efforts are being made to bring that about, and I think they are going to be successful. So, for the present, we might say that their activities, so far as the Districts are concerned, should be handled in the manner you think best, and we would like to be kept advised of approaches that are made to you and anything which shows a lack of coordination, so that our arguments can be furthered in our attempts to bring this under a proper directive.

CAPT. MacFALL: Representatives of OSS have no means of identifying themselves, nor have we any authority to turn over information.

CAPT. WALLER: I never have seen their necessity because I am sure the Joint Chiefs of Staff have never sent them out for that information.

COMDR. GASS: Every school comes down to me for three days, and I take them through every Naval activity, but I don't know the name of a single

solitary individual, and I am told I can't have the names.*****

CAPT. WALLER: Why do you take them? Have you had any instructions?

COMDR. GASS: I believe so, yes. Over a month and a half ago when the first group came down.

CAPT. WALLER: Send a copy of the instructions to this office when you get back. (Subsequently, Comdr. Gass identified Opnav serial to 5ND only).

CAPT. MacFALL: There is another organization---OWI---they want to know all the operational intelligence.

CAPT. ZACHARIAS: I see that it would be worth while for us to send out to the Districts something regarding the functions of these two organizations, OSS and OWI. Apparently, there is little known about them in the Districts and there is little known as to what relationship you should have with them.

CAPT. MacFALL: They pose as Government investigators.

CAPT. ZACHARIAS: Is there anybody who is in disagreement with the thoughts Captain MacFall just expressed? I think you will be safe in saying you have no directives whatever about relationship with OSS and OWI, and, therefore, until you receive such directives you cannot cooperate with them.

CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS

Navy Department - Washington, D. C.

AGENDA FOR AFTERNOON SESSION

OCTOBER 19, 1942

1. Improper Employment of B-3 Personnel.
 - (a) Instituting improper investigations (Vice - lost articles, etc.)
Suggested by Comdr. Major.
 - (b) Investigations requested where security checks should suffice.
(Proposed system of processing with modified NNI-140 Form)
Suggested by Comdr. Major.
 - (c) Making reports direct to Commanding Officers (All reports must be approved by the District Intelligence Officer before dissemination; the Commanding Officer does not have the necessary source material for proper evaluation, etc.)
Suggested by Comdr. Major.
2. District Intelligence Officers Utilizing Credit Bureau Reports.
Suggested by Capt. MacFall.
 - (a) Use such reports only as routine sources of information subject to verification.
 - (b) Do not have credit companies conduct investigations.
 - (c) Branch A will discuss question of payment for such reports.
3. Standardization of NNI-119 Reports and Cards.
Suggested by Capt. Smith.
4. Should not all investigations of naval interest by local FBI agencies be cleared through local District Intelligence Offices rather than direct to ONI?
Suggested by Capt. Smith.
5. Delimitation Agreement between FBI, MIS and ONI with respect to jurisdictional investigative powers of incidents and persons in Coastal Areas having to do with Coastal Convoys, Shipping Lanes, Commercial Craft, Suspects in connection with enemy craft, etc.
Suggested by Capt. Smith.
6. Establishment of grid system.
Suggested by Capt. MacFall.

7. How far and to what extent should a District Intelligence Officer voluntarily go in assisting a District Commandant in alleviating conditions caused by vice in the vicinity of a Naval Base; in handling censorship of mail of soldiers embarking from such a Base; and the other problems not strictly involving Naval Intelligence functions but involving the war effort in that locality, and for which Naval Intelligence personnel is better qualified to act than any other personnel available to the District Commandant; and to what extent is the DIO subject to the orders of the District Commandant with regard to such subjects.
Suggested by Comdr. Gass.

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CONFERENCE OF DISTRICT INTELLIGENCE OFFICERS

Navy Department, Washington, D. C.

Afternoon Session, 1430 - 1630, October 19, 1942

CAPT. WALLER: I think the agenda calls for a discussion of B-3 this afternoon. I will ask Lt. Comdr. Whitloy, as head of the B-3 Section in this office to discuss that. We rather feel, however, that there is nothing that we could start the ball rolling with; so we can throw it into a round table immediately, so I will take the first question here, submitted by Comdr. Major and that is "The Improper Employment of B-3 Personnel". It is divided into three parts and the first part is "Instituting improper investigations (vice, lost articles, etc.)". Major, will you make the point?

COMDR. MAJOR: Yes, sir. In respect to vice. The Shore Patrol in Boston working in very close connection with the Venereal Disease Squad and the Doctors, under the Massachusetts law, have requested us at various times to investigate vice rings. They have even put it in the newspapers. When arrests were made they would put it in the newspapers that the arrests were made by the Naval Intelligence. They have been placed back on their heels with orders that the Naval Intelligence is only interested in vice where subversive activities were concerned. I think we have them under proper control now. Recently, we put out a district circular letter stating the details of cooperation and coordination of the District Intelligence with the Shore Patrol organization. We will have no further trouble with the vice squads if that district circular is carried out to the fullest extent.

We have a great many requests for investigations with reference to lost baggage and lost articles. I have handled that in the main by stating that we were not the proper people to do that and turning it over to the

transportation people. The most recent was the case of misdirected trunk which belonged to a Free Fighting France officer and which got mixed up in a British shipment and was sent to Montreal. That was a case where the Cunard Line handled it for us.

I have had many cases and requests where the investigations dealt with criminal tendencies. The most recent was the case of the suicide of a light-house keeper in which we were requested by the Coast Guard to investigate with the Assistant District Attorney, and upon arrival at the light-house we found a suicide. We then called in the local civilian police and they performed the autopsy. It was really as an assistance to the Coast Guard that we did that. It takes a great deal of additional effort to see that investigations do not go out of the proper field.

CAPT. WALLER: Any action necessary from this office?

COMDR. MAJOR: No, sir, it does not require it.

ADMIR. McCULLOUGH: It is my belief and experience, after a recent check up, that if I were to go after all the homo-sexual activities, that I would soon have the entire Naval District involved in it.

COMDR. MAJOR: I had a rather good experience out of mine. We got a confession out of them. Whether that is an interest of Intelligence, I don't know, but we had an experienced investigator and he got a confession out of them and the Admiral was very pleased about it.

CAPT. WALLER: We have considered that phase of it and we have a specialist down here just for that work.

CAPT. MacFALL: The business that I have is all tied up with German resorts and we go after it as a subversive activity.

CAPT. WALLER: We have taken the attitude here, of course, the delimitation agreement covers only the four categories, much to the confusion

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of the various field representatives of other agencies, but we had rather wash our own dirty linen than have it done somewhere else. We have uncovered a ~~good many more men than you mentioned out there.~~

ADMIRAL McCULLOUGH: Another thing is the public work on cost-plus work. That has been Navy work on cost-plus contracts. We had that thing come up and we went into it and made a preliminary investigation and found it practically wide open. We tried to get the FBI to take it, but they said no they weren't interested. Then we went to the United States attorney and he said turn it in yourself, so we did, and then the FBI got very sore because we were mixed up in their business.

COMDR. DUNN: Would that be a proper subject to investigate? We have some fifty or sixty cases pending.

CAPT. WALLER: On what?

COMDR. DUNN: Professional homo-sexual activities. We look upon this thing as having a subversive angle and that it should be rooted out of the Navy.

CAPT. WALLER: Of course, we still take a different outlook on that from what a great many sections of the world do, and we run into the difficulty of differences of opinion. That is the reason why I decided that cases coming to our notice should be investigated. We had one specific case where the pervert was an officer. He had been very thoroughly trained in cryptanalysis work. Then the question came up of what to do after he has been tried by a court martial and sentenced to a period of confinement and dismissal. We ran into this situation here where the present tendency on the part of the medical people is to consider this thing primarily a disease and not as a perversion and they didn't want him to go to prison because they didn't want their other prisoners contaminated, and they wanted to remit that portion of the punish-

ment that involved confinement. It was a very dangerous situation for us because this man had been very thoroughly trained in all of our cryptanalysis methods and here he was dismissed, not to be confined, and an easy target for enemy agents. So we have accepted here in this office, right off the reel, that if a man wears a uniform that it is a proper activity for us.

COMDR. BUNN: Another thing in connection with washing our own linen which is true. It keeps it right within the family. For instance, if a report is made it gets into general court and never gets out to the public at all. We can see that the prestige of the Navy does not get into it. If the civil authorities or the FBI went after it, then it would have to be spread out in public.

CAPT. WALLER: There is another aspect of it. That is, that some of these offenders hold commissions and some of them are enlisted men. If they are all handled by the same channel and the same policy is adopted then we won't run into the fact of different punishments for the officers and the enlisted personnel. If the whole thing is handled by us and thrown into the proper channels, then the same channel functions in both cases.

CAPT. MacFALL: There was no objection to letting him out of the service, I suppose.

CAPT. WALLER: No, sir, we just mark the case closed.

CAPT. CANAGA: We have this situation. We were having considerable trouble with homo-sexuals and also with excessive drinking by the officers, so the Commandant detailed some other officers to stand patrol and the officers that he detailed were I-V(S) officers, for a certain length of time to handle that situation. Now the patrol is handling it.

CAPT. WALLER: Of course, that is a question of the Commandant's administration. I think it is unfortunate. We have a case where the commandant lives next to the officers club. One night the ornaments in his

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front year were disarranged. So some officers were told off to watch the club and the officer's conduct, and they were all I-V(S) officers. Immediately, the I-V(S) Officers became "white mice" in the eyes of their brother officers. I don't know what or how you can combat that except by having the whole picture brought to the attention of the Commandant and let him see just what he is doing to the Naval Intelligence Service. It is, of course, an internal matter, and I suppose the Commandant has to be given a free reign to handle it.

CAPT. WALLER: Is there any more discussion on that particular recommendation?

CAPT. MacFALL: I just won't go into the details of that kind of an investigation. When you work in a populous section the number of people involved is so tremendous that you couldn't do it without detracting from your intelligence work. In other words, there has to be a line drawn somewhere and it involves such a tremendous number of people that if you don't look out you are going to ruin yourselves just by involving so many people in that kind of work. With the type of perversion that indicates subversive activities, we do take action. If you remember, we had a case recently in New York. It was all coupled up tight with a German club and a German male house of prostitution, with a branch there close to the Brooklyn Navy Yard. We began to suspect that it was being used for subversive activities and we began to work on the case. That is the kind of case that might be used to obtain information and that is a case for the Intelligence people, but if we are going into all that other it will take all of our time.

CAPT. WALLER: I am afraid that would be true, Captain, in your District where there is such a heavy concentration of population in a small area, but you wouldn't take that kind of cases and turn them over to any

other investigating agency, would you?

CAPT. MacFALL: The police knew how to handle that. Of course in a place of that size the commanding officer can go to the police and they will cooperate with him and they have men that know how to handle situations of that kind, but if I were going out in town I wouldn't have enough people to cover two blocks.

CAPT. SMITH: I though you were talking about people in the Navy.

CAPT. WALLER: Yes, we were, I think Captain MacFall was talking about it within the Naval District but not in the Naval personnel, and that would be handled elsewhere.

CAPT. MacFALL: So the police closed the house.

COMDR. DUNN: May I ask how you became suspicious about the house and the people in it?

CAPT. MacFALL: By watching the personnel go in there and by watching the ships come in and by watching the neighborhood. Of course, when we find a case that is subversive we handle it more carefully. I had this case that was all tied up with the German activity and at the present time you can't convict them unless you find that they delivered the information to enemy and we couldn't do that. This man was a German spy during the last war and we found out that he had two houses, houses of male prostitution, one of them next to the Brooklyn Navy Yard, but we couldn't tie it up with subversive activities, so we requested the police to close it up and they did close it up at our request.

CAPT. WALLER: Does that close that up so we can go on to the next one? The next subject was also suggested by Commander Major and it is, "Investigations requested where security checks would suffice". I think perhaps I have mislead Commander Major but I will let him present his phase of it first.

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COMDR. MAJOR: A good many investigations have been requested in
 IND by the District Security Officer after the receipt of the CESF despatch
 of August 17th, I think it was, where leakage of information was the subject
 and as a consequence the District Security Officer was required to investi-
 gate the security of Mail Rooms, Code Rooms, District Headquarters and
 various Navy Yards handling communications and information. The result of
 that was various requests, in Portsmouth there were 170 civilian guards that
 were requested to be investigated, all in the civil service personnel, and
 then in the District office there were a great many of the civil service
 personnel that were requested to be investigated, regardless of what their
 particular job would be, even the stenographers, regardless of what kind of
 work she was to be doing. I objected on the ground that the Civil Service
 personnel had been ostensibly investigated by the Civil Service Commission,
 particularly as to citizenship, former occupation, qualifications and
 loyalty. Well, it seems that the Civil Service was somewhat in arrears and,
 of course, they do not submit any investigation reports to the Labor Boards,
 only the check-off list. So I proposed to merely make a security check
 as follows: Check against Naval Intelligence files, FBI files, Military In-
 telligence Files, and the State Board of Probation and the neighborhood
 check. Then after the proper interval of time give them the necessary state-
 ment that the check has been made against those files and the result has
 been negative, which would suffice, otherwise I would have had something
 like 5,000 investigations suddenly dumped upon me. When you stop to think
 of the rate that they are going through the labor board, somewhere around
 9,000 per week, it gives you some sort of an idea of the magnitude of the
 task if you are going to investigate everybody. Actually a security check
 should be sufficient. There is nothing at all on these people that you have

except that they are going to be employed. Some of them are going to be employed as guards, some of them are going to be employed as stenographers and in personnel, and handle nothing of a classified nature and a security check should be sufficient. We do get some of them where they are handling classified matter, and we do have them fill out modified forms 126 and 140 and we do make a more complete neighborhood check, but other than that we do not conduct the regular investigation.

CAPT. WALLER: Major was very much concerned about this when it hit him because he had to yell immediately before he was sunk. I told him that we could not possibly undertake to do that and I am a little bit afraid that I might have misled him. I don't think we can ever completely divorce ourselves from making an investigation of personnel that are going to handle classified matters.

We work here on the assumption that we can't get our work load down much less than two weeks per capita. If we have less than that, then we have a surplus of personnel. It was in the vicinity of 2100 and when it got down to about 900 we began to feed personnel out to the districts and to sea. It is now up in the vicinity of 2400, and I think last week was the first week that we were able to make a net gain for a period of about five weeks. Of course, we suffer from some of the same handicaps that you do, we have 15 to 24 men off in the indoctrinational schools during that time. We have one division, Naval Communications, that has requested over 1500 investigations right here in Washington. We had to put out a letter to the Department to hold that down and that discretion would have to be utilized by the various divisions and the various bureaus, and that every individual stenographer would not be investigated to qualify her to handle secret and confidential stuff. Insofar as that is concerned, I hope I didn't mislead you, Comdr. Major. I do believe that we are definitely responsible for some investigation on that

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stenographer if she is to handle secret and confidential correspondence. Not on civilian guards and on every stenographer, no, but where they are going to handle classified matter, yes. We are modifying Form NNI-140. We had some questionnaires for citizens working out in plants when we had B-6 and B-10, and we found that we could modify that and use it for these persons even though they were handling some classified matter.

COMDR. MAJOR: I took part of the 126 and part of the 140. About eight months ago we utilized that for this type of investigation, but we don't call it an investigation; we call it a security check.

COMDR. HOGG: In the Eighth District, my people have not only been making investigations for handling the classified matter, which is a different thing, but we have taken some time on all these and they are fairly investigated. We have given up making security checks on anybody except workmen and those like that.

CAPT. WALLER: Can you keep your head above water?

COMDR. HOGG: Well, we aren't making any progress, but we are keeping our heads above water.

CAPT. WALLER: Would anyone like to add anything on that?

CAPT. MacFALL: We take this position on the Sea Frontier personnel, when we think it is important we do make the investigation; we investigate the personnel because we think it is vital and there are worlds of CAF's to be investigated. Here is something that is indicative of possible problems. At our weekly conference the Coast Guard people asked these three questions: Will you undertake to investigate 3500 men to be employed as watchmen, gate guards, etc? Will you agree to let the Coast Guard take them without your investigation? and Will you set a time limit in your investigations? That is the first time that I had ever heard of a time limit being set on an investi-

gation and I told them that I certainly would not set a time limit on an investigation. If you do that you are going to get hamstrung. An investigation may take a short time or it may take a long time. There can be no question of a time limit when you are going to make 3500 investigations. That can't be definitely answered. I told them that we were not going to enter that field or we were going to be swamped. I have in my organization about a hundred investigators, officers and warrant officers, and we try to average about two and a half cases per week per man, that is the average, we try to get rid of 250 formal investigations per week. If you try to tie all these extra things to that man's work load for a month or six months he just can't do it.

CAPT. WALLER: There was recently held a conference between the Commandant of the Coast Guard and ourselves, which was requested by the Commandant, and as a result of that conference a letter was written which clearly defines the relationship between the Coast Guard and the Naval Intelligence and the other investigating agencies. That letter I hope will be signed prior to your departure.

CAPT. MacFALL: Will that subject be taken up before -----

CAPT. WALLER: Just a moment, Captain, that one thing definitely is not a subject for debate. In fact, the only subject for debate is the phraseology, or possibly the form rather than the phraseology. The Coast Guard Intelligence are investigating all of their own personnel, be they civilians or in uniform with one exception. We have taken advantage of their laws which permit them to take a man in the Coast Guard Reserve without paying him and those persons who are enrolled as guards of plants for which the Navy is responsible whatever their particular classification, if they are to be investigated. That investigation is conducted by us for we

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are utilizing the facilities of the Coast Guard to get these persons under military control.

The Coast Guard will investigate the waterfront. They will conduct all investigations there with a view of prevention, as it were. If an emergency happens the man on the spot will conduct the investigation and be responsible for it until the man arrives whose responsibility it is and then the first man will turn it over to him. The Coast Guard is responsible for all investigations along the waterfront and in the harbor and it is not contemplated that that will be any obligation of the Naval Intelligence.

ADMR. McCULLOUGH: Right in line with that point, if it was a Navy Ship, that is a ship that the Navy is responsible for. I have been trying to get some information for a month from the Director afloat and I haven't got it yet. That is definitely a Navy responsibility. The Navy has charge of the ship. The Army takes care of their ships and the other ships are taken care of by the Coast Guard and the FBI, but what about our ships?

CAPT. WALLER: I am afraid I don't get your point, Admiral.

ADMR. McCULLOUGH: I am speaking of enemy aliens on a ship, barges and harbor craft.

CAPT. WALLER: The Coast Guard is charged with being responsible for the ships in the harbor.

ADMR. McCULLOUGH: What I am talking about is to get the responsibility determined for all the various ships that come into that harbor. We have got War Shipping Administration Ships, we have got Army ships and then we have Navy ships, and the responsibility of the Navy ships belongs to the Navy. The responsibility of the commercial ships belongs to the Coast Guard but what about the investigation of the personnel of Navy ships?

CAPT. DAVIS: Why should they be investigated?

ADM. McCULLOUGH: So we can find out how many enemy aliens are on them and what should be done to have them beached.

CAPT. WALLER: The authority to beach them is vested in the Coast Guard.

ADM. McCULLOUGH: Not on Navy ships. I have three people to contact on Army ships, the Captain, the Director and the Captain of the Port.

CAPT. WALLER: Lets break this down somewhat, if possible, for the authority to beach is vested in the Coast Guard.

ADM. McCULLOUGH: For commercial ships, yes.

CAPT. WALLER: The only exception are the vessels belonging to the Naval Transportation Service. They are either one or two categories, either they are commissioned in the Navy or else chartered. The War Shipping Administration takes them over as the lessors for the government but we run them and they are controlled by the Port Director.

ADM. McCULLOUGH: No, sir, that is the FBI. They claim that unless the Navy is entitled to it.

CAPT. WALLER: The FBI has no authority to take those people over. That authority is vested in the Coast Guard. The only way in which the Navy can do it on Navy Transportation Service chartered ships is for the Port Director to put it on the contractual basis. In other words, it is not done as a right to remove but rather as part of the contract that ship and crew must be acceptable to the Navy. Captain MacFall ran into the same thing on an Army transport. A craft that is secured at a Port of Embarkation. Executive Order 9074 specifically relieved the Navy of the responsibility of those facilities which the Army controls. The Army received orders that at their ports of embarkation they were responsible for security and they interpreted these orders as authority for the removal of personnel rather than the placing of sentries at the proper spots, etc.. Sometimes

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those ships are there a few hours and sometimes days and it was feared that in the middle of the night with young people with authority and not used to it, ~~that they would start acting and the ship would be delayed.~~ That has been taken up here and I think it has been decided by the Army and that they will clear through the Captain of the Port. That is the present status, isn't it Pollio?

LT. COMDR. POLLIO: Yes, sir.

CAPT. WALLER: I believe where time permits that the DIO is notified.

ADMR. McCULLOUGH: Of course that order still stands, before any ship leaves for it clear the DIO for checking the crew list.

CAPT. WALLER: We have sort of figured it out this way, that Navy will investigate any sabotage or subversive activities committed on the high seas, if the investigation is conducted on the high seas, but that as soon as the ship comes into the harbor it becomes the responsibility of the Coast Guard. Then any action of subversive nature that might be committed or might have been previously committed is the responsibility of FBI. Even if the ship comes in and anchors in the roadstead it is the responsibility of the Coast Guard if the act occurs there, but if the act happens outside of the port we figure the FBI is responsible, except where the Navy controls. That is the way we whipped it into shape out here.

ADMR. McCULLOUGH: Of course, if we check the crew list and find a man on the crew with a blue card we immediately inform the proper authority.

CAPT. WALLER: We could have and did have this situation in New York where the crew list was checked and the craft stopped by the Army and the ship was only going to be there 8 hours.

CAPT. MacFALL: We pick up the goods and started out to handling it with the Coast Guard who had the authority to act. We told the Captain of the Port but they (the Army) are operating rather independently. I couldn't

get anything out of G-2 or any place so I took it up with Washington. The ships arriving in New York in August were 642 and there were some 26,000 names. In September there were 720 ships and 27,000 names. That is the amount of stuff we have to go on.

ADM. McCULLOUGH: You operate on a 24 hour basis, don't you?

CAPT. MacFALL: That is something that must be settled when time does not permit. Sometimes you get the list an hour before sailing time or a member of the crew will jump ship or something that way and it will have to be acted on immediately. We have arrangements with the Coast Guard and when we recommend removal they are removed before the Coast Guard has any time for any evaluation and as a matter of fact they come by the next day and check up and confirm the action.

CAPT. WALLER: Are you ready for the next one?

CAPT. SMITH: I have a formal request for some investigations and I don't make an investigation. I am going to make security checks as Comdr. Major suggested. We have been requested by the Coast Guard to act on applications for licenses for small craft. I don't mean Navy ships or ships engaged in official patrol, but licenses for small craft operators and they run into the thousands.

CAPT. MacFALL: That is a security check. We have 30,000 small craft that went into the water for the first time.

CAPT. WALLER: Of course, we have fussed with Pollio down here because some Captians of the Port were granting license without clearing through us. I don't think it would take much time to make a search through the Cards.

ADM. McCULLOUGH: You ought to have that before it is launched. We keep a list of everyone of the boats and we have that all the time. If they don't pay the taxes on the boat it is not launched. Somebody has to

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pay the taxes and in that way long before the boat is even in the water we know about it already.

LT. COMDR. POLLIO: All the Coast Guard Captains of the Ports are under instructions to submit to DIO all applications submitted by owners of small craft for licenses for operators. That form contains, we think, enough information to enable the DIO to make a security check. That is set out definitely in the Anchorage Regulations. I am free to say that if it was intended that the Coast Guard make the investigations as to the operators of these small craft or as to aliens on board them, that this was not included in this proposed letter that Captain Waller spoke about. We have always understood that the Naval Intelligence was to conduct that type of investigation.

CAPT. WALLER: Let's get away from that and continue with the security checks and the check of industry.

CAPT. MacFALL: When you live in a section where they have winter and summer the things come all at once, all in one month, they all want to get licences in that one month, just as they do in New York. The thing I would do is to grant them a revocable license and then if you find anything you can revoke their licenses.

CAPT. WALLER: Of course, we can't possibly make all of those investigations every spring. It will be a security check unless there is some reason that you think there should be a regular investigation.

COMDR. DUNN: We find that by sending our form letters to their previous employers, and sponsors that we get some additional information and that is a little better than a security check alone.

CAPT. WALLER: That would be covered if something similar to that form 140 and 126 is in there. That is in there too, isn't it?

COMDR. DUNN: Yes, sir, that is in there too.

LT. COMDR. WHITLEY: There is another point here. That is the

difference between the files of the FBI in Washington and out in the Districts. None of those files are ever as complete as they are here. In other words, FBI files in Washington are complete while the files in the districts are limited to their own matters, just as are your own files. Here in ONI we are equipped to handle all personnel checks through our complete files, - of course, that would depend on the volume, I don't know, that may be grabbing too much.

CAPT. WALLER: We could find out by trying.

CAPT. MacFALL: The FBI always insist when they give you a local check that it doesn't mean that there isn't anything against the man, that there may be something against him in Washington, but you always have some kind of a delay when you check through Washington.

CAPT. WALLER: Are they checked through Washington?

CAPT. MacFALL: No, sir, we just check them through the local FBI.

CAPT. WALLER: If you use a revokable license you could grant the license and then send the names to Washington and have them checked and if there was anything in the big FBI file or our own file, then you could revoke the license. That would save some time.

CAPT. MacFALL: Of course, that means 90,000 names.

COMDR. MAJOR: I would like to differentiate between the Navy employees and the Coast Guard and the pleasure craft and the fishermen. Our fishermen will run over a hundred thousand and our pleasure craft about 20,000 in our district and that means that we have to check 120,000 names in a few months time and we couldn't possibly get the names of all those checked against the ONI files and the FBI files.

CAPT. WALLER: That is just the name check again. I am not sure that we have got that point covered.

COMDR. MAJOR: I don't see how we could send all the names of the

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pleasure craft down here.

CAPT. WALLER: No, I didn't mean to send all of them down here but to issue them a revokable license and then you can clear them and if there is something against them you can revoke the license later. If you feel that any of the operators are in a position to do any harm you can go into it more completely that way than you can by checking your local index files and at the same time you won't have held things up any. Captain MacFall has the same problem because he definitely has a winter season.

CAPT. MacFALL: Yes, they come in about May and we have an immense volume of them.

CAPT. DAVIS: For that purpose in Alaska we check about 25,000 a year.

CAPT. WALLER: Are we ready with the next one? It was also suggested by Comdr. Major and it is as follows: "Making reports direct to the Commanding Officers. All reports must be approved by the District Intelligence Officer before dissemination; the Commanding Officer does not have the necessary source material for proper evaluation, etc.". There might be a little bit of confusion as to just what that point was and as to whether it was through B-3, B-5 or B-7. Have you instances where these reports are going through your Commanding Officer without being cleared through us?

COMDR. MAJOR: Yes, sir, in one Navy Yard the Commandant is insisting that all reports come to him before they come to the DIO. At the present time he has held up about thirty reports. The reason is that there is considerable confusion in his mind as to the purpose of the Act. Public #671, which was in effect up until June of this year, which has to do with the discharge of civilian employees of the Navy Yard and he doesn't accept our deductions in a great many cases and he insists that the Officer in Charge of the Yard Unit furnish him with a report before he comes in to approve them.

able or not. I don't think 50 cents is excessive.

CAPT. WALLER: I would say that if you feel that it is worth it to you to go ahead and get it.

CAPT. MacFALL: Some of my people don't figure it is worth 50 cents.

ADM. McCULLOUGH: In the 12th area we have 96 agencies and they give it to us for 25 cents but if they have got to bring it up to date, say for six months or more, they charge a dollar and a half and they say they spend two dollars on telephone calls.

CAPT. WALLER: That is just the point. We feel that they should never bring it up to date because then they are conducting it for our benefit. We made a check here and we feel very kindly disposed toward these people. We are only one of a great many governmental agencies that are asking them for this information, and we feel that 35 cents is a very nominal sum for it.

ADM. McCULLOUGH: If we don't take their reports it would take a man two days to get the letters and go into the investigation.

CAPT. DAVIS: In our case, they have all the court records and every paper and things like that. It is all right there, and we get it for 25 cents.

CAPT. SMITH: We pay 25 cents for a look at the files.

ADM. McCULLOUGH: They used to give it to us for nothing, but we found it cheaper to let their girls write it up and send it in.

CAPT. WALLER: I don't think it is so much a question of the payment of the money as it is a question of whether it is worth the money and how much time it will save you.

CAPT. MacFALL: We can get it within a week.

ADM. McCULLOUGH: They never say anything about Intelligence. It is just a regular routine with them.

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discharge by DIO. That has only taken place in one Navy Yard.

CAPT. WALLER: I would like to defer this discussion because I have a suspicion that we are going to get right back on it when Mr. Bard is present to speak to us. There is a recent directive that has just been gotten out and I doubt if it has time to percolate down from the Commandant to the Commandants of the Navy Yards, and I think we had better perhaps wait until Mr. Bard comes down and see what he has to say. If there are no other aspects except the labor part I think we had better defer this discussion.

COMDR. MAJOR: I believe this new letter will iron out a great many of the difficulties.

CAPT. WALLER: The next thing that we have is: "District Intelligence Officers Utilizing credit bureau reports." That was suggested by Captain MacFall but before we start on that I would like to make two or three remarks and then turn it over to him. Here in Washington we have been going into the credit bureaus and asking for any information that they might have on an individual and I think we pay 35 cents a name. However, the last thing in the world I want to do is to ask them to conduct an investigation. They must never be put in a position where they can ever say that they are working for the Naval Intelligence. We must never ask them to make an investigation. They had a case here where one of the Bureaus asked them to do that. It could be done all right if you could swear them to secrecy but we have gone to a great deal of pains to see that that was not done and that they could not by any hook or crook possibly convert this thing into saying that they were working for the Naval Intelligence. We only ask for the information that they have in that file right at the moment.

CAPT. DAVIS: When Lieutenant Commander Aldrich came up to audit our accounts he discouraged us from using the Credit Bureaus. He said we

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didn't have the money and that it cost too much.

(CAPT. WALLER: There is plenty of money. That is one of the things we are going to tell you, that is to start spending more money. You cannot actively prosecute the search of intelligence without spending money.

CAPT. DAVIS: I have a great many requests for credit reports in my office and I have had the assistance of the Credit Bureaus.

CAPT. WALLER: The question of the payment for that will be taken up. That is a question for the Administrative Branch.

CAPT. DAVIS: He told me that I was spending too much on that and that I would have to stop it.

CAPT. WALLER: Maybe Captain MacFall would want to present that subject now, or have we covered it Captain?

CAPT. MacFALL: I don't know whether you have covered the whole subject or not. We have not been paying for our credit reports on individuals. We have not been going out and getting them and I don't think it is so terribly important. But there is this view of it, the Credit Bureaus are weeping on my shoulder. They say that their business is going down every day and yet they are called on more and more to furnish free information to the FBI, the Naval Intelligence and the Military Intelligence. Their normal business is just shot to pieces and they tell me that they simply cannot afford the time of their stenographers and clerks to look up the information without some compensation. Various compensations have been mentioned, 25 cents per name and 50 cents per case and so on just to look through their records. Anyway, it is just a matter of economy with the Credit Bureaus and they say they can't afford to function any longer that way because their normal business is out and they are going down rapidly and that they cannot afford to give information to the FBI and the other governmental agencies without compensation. I just want to know whether that is agree-

able or not. I don't think 50 cents is excessive.

CAPT. WALLER: I would say that if you feel that it is worth it to you to go ahead and get it.

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CAPT. WALLER: You would spend that much on bus fare getting there and getting back.

CAPT. DAVIS: Of course, that won't come in from all your towns.

ADM. McCULLOUGH: We have 96 and we get it from them.

COMDR. MAJOR: I may say that I have been approached over the last two and a half or three years by at least a half dozen or more of retail men, retail credit men and national bureaus, etc., all endeavoring, I won't say in an underhanded way, but in an off-hand way to get ONI to espouse their cause. You have to be very careful in handling them.

CAPT. WALLER: That is why I am glad that Admr. McCullough raised that point of bringing it up to date. We want to get just what they have in their files and not get it brought up to date. We can't possibly let them get the idea that they are working for us or that they are working for the Navy.

COMDR. MAJOR: And they are broadcasting it, too.

CAPT. WALLER: Let's get along with the rest of the agenda. The next suggestion is the "Standardization of NNI-119 Reports and Cards" and it was suggested by Captain Smith.

CAPT. SMITH: Yes, in our work we see them from all the districts and in my opinion they are not standardized. Of course, they can't be standardized as to content but they are not standardized as to form. There is some advantage of standardizing them. You can read it over more quickly and it is better. That is all I have to say.

CAPT. WALLER: Is it your idea that we should issue instructions to standardize the forms?

ADM. McCULLOUGH: I think that is in the new manual. I make my people live up to the manual religiously. I have got three reviewers and

it doesn't go out unless it is right up to the standard form.

CAPT. SMITH: Of course, that is what we all think, that my district lives up to it but the other districts don't.

CAPT. WALLER: You don't find present instructions adequate?

CAPT. SMITH: Yes, sir, I do.

LT. COMDR. MORTON: There seems to be a good deal of confusion about the deductions. In some districts they put them on and in some they leave them off. What is the accepted policy?

LT. COMDR. WHITLEY: The existing instructions on the use of that space permit the District Intelligence Officers a wide latitude. He can use it if he wants to and if it is appropriate or if he wants to he can ignore it entirely.

LT. COMDR. MORTON: That is fine.

LT. COMDR. WHITLEY: Probably more do not than do use it. It depends a great deal on the nature of the case. In borderline cases, those that are doubtful, it may perhaps be better not to draw the deductions but simply to present the facts and let the action office draw their own conclusions from the facts that you have stated.

COMDR. DUNN: I think the original words, comments and recommendations, were perhaps better than this one and covered a wider field.

LT. COMDR. WHITLEY: That was the purpose of the change, to include all of the old and to make it broader. The trouble was that some districts made very positive and definite recommendations, and sometimes the acting agency receiving the report didn't draw the same conclusions and disagreed with the recommendations.

CAPT. WALLER: I think the B-9 school is now instructing the trainees that their function is that of an investigating organization. In other words, B-3 is to get the facts and present them and let the acting

agency or section draw the deductions.

ADMIR. McCULLOUGH: When I started out I was told that the primary mission of Intelligence was the procurement of facts and that in no sense was it an acting agency. Does that still hold good?

CAPT. WALLER: It still holds good as of today, yes, sir.

ADMIR. McCULLOUGH: That is the principle I have been working on and that was what they told me sometime ago, that we were not an action agency, but that we were to turn it into somebody else.

CAPT. WALLER: We faced that here in this respect, particularly before this complete transfer of personnel security to the Army. We processed these contracts here, whether they were aliens or key personnel, and we always put in a specific recommendation, either in to the proper bureau or to the Assistant Secretary. We felt that ours was a problem of getting the facts and from a point of view of security this was our recommendation. Somewhere somebody must make the proper compromise between maximum security and minimum production and minimum security and maximum production. The people who executed those contracts are just as interested in having it secure as they are in getting production. We haven't the authority to abrogate those contracts one way or the other, but we did throw in each report a very specific recommendation and in very few cases have they been followed, sir. If that is all there is on that subject we will go to the next one. It was also suggested by Captain Smith, "Should not all investigations of Naval interest by local FBI agencies be cleared through local district intelligence offices rather than direct to ONI".

CAPT. SMITH: That is not very well worded. I didn't mean that they should come to us before they got to you. I mean that we at least should get a copy of it. We have had cases of naval interest in which we did not get copies at all. We didn't mean that it should come to us before it came

to you. We meant that somebody should send us a copy.

CAPT. WALLER: I am glad that point was raised because it is our arrangement that you are to get your copies locally.

CAPT. SMITH: There have been several instances more or less recently where investigations have been conducted by the FBI and we did not get a copy because all the copies were sent here.

CAPT. WALLER: The man there sent them to Washington and the Washington FBI sent them to us, that is the arrangement. Do you have a case where the distribution showed that you were to get a copy?

CAPT. SMITH: No, sir, it said ONI, Washington.

CAPT. WALLER: Then that is a case of something breaking down in our machinery. We should have picked that up. Did you get one from us?

CAPT. SMITH: No, sir, but we asked the FBI for one. I think that is something that we can straighten out.

CAPT. WALLER: I don't think that is normal.

CAPT. DAVIS: I have had some that way.

COMDR. MAJOR: I have too.

CAPT. CANAGA: So have I.

CAPT. WALLER: I think the record might well show that there are numerous districts that have experienced that, and we can take that up with FBI.

CAPT. SMITH: This was a subversive case. We have an interest in lots of them and we don't get them all. I think we get most of this stuff, but we don't get everything.

CAPT. WALLER: It has been experienced by several different districts, and that will give us a lever to take up with them.

ADMR. McCULLOUGH: The Army went to bat in my district and showed them up and showed how they hadn't sent them the copies. Of course, they

said that the investigation was conducted in Washington and that they had no reason to give it to us because it originated in Washington. That is the explanation they gave us as to why we didn't get it.

CAPT. DAVIS: When I ask my FBI men to show me something on an investigation that they are making, they won't show it to me until after it is finished. It may be something that I am vitally interested in or that I have some more information on, but I can't see it until it is finished, although I do get it in most cases. I keep posted on how things are going, but if we could get that we might be able to help them a great deal.

ADMR. McCULLOUGH: I frankly admit that there is lots of stuff that we aren't getting. The Army went to bat with them when it came to an undesirable citizen they wanted to get out of the area. Both the Army and the FBI offices are flooded with cases that we never heard of.

CAPT. CANAGA: I think it's quite often because of a misunderstanding I think that is what it is, and that the reason that the information does not get out to the District offices. The fault is partly here, I would say that nearly all of the fault is in Washington, because very often I will ask the FBI people if they got certain information, and they say no, and then I tell them that I will make them a copy, and the same way the other way around, they will ask me if I got certain information, and I will tell them no, and then they will make me a copy of it. The way to get that information out to the districts is to broaden out and not try to save so much paper work. It might be best if it was arranged in Washington to put a notation on the report or on the card that the district office was to get it.

CAPT. WALLER: I wonder if we could do this, knowing the attitude of Mr. Hoover where he holds everything in his hands and it is very tightly held, and that any investigation is not complete because no one has all the

information that is in his office here in Washington. The individual agents out in the field can't give you that because they can't be sure of presenting the complete picture, but I wonder if we approached them with the idea that we recognized in the districts that it was only a partial picture, and that we could not be sure of the completeness of it until it was finally finished, that with that explanation we could get them to give us this information.

CAPT. CANAGA: Yes, just to name an example, we had a case recently that they were working on in three or four different places and we were working on it too, and we didn't know about the others, and if we had been notified we could have straightened them out on it.

CAPT. WALLER: The case just mentioned by Captain Canaga is a case where this office fell down terribly, and I hope there will be no hesitancy in letting us know about similar cases in the future. It is worthwhile to take up the time because we may find the same thing happening again. There were some engines installed in boats and they were damaged and it looked almost certainly like sabotage. There were 9 out of 10 more in crates that arrived in San Diego. The information coming in on this thing looked like it must have been done in Cleveland. We worked here with the FBI, and the FBI accepted the fact that it was their investigation, so we told them to go ahead, but this office neglected to tell the DIO's 9 and 11 that the FBI was going to take the ball, consequently both of these districts got this information from the FBI some time later, and that was the first advice that they had about it. They didn't get it from us until they asked about it. It was a complete breakdown and fold up right here. I knew the arrangements had been made here, but I did not know that our people in the districts had not been apprised of the facts until it was too late. In the meantime, both districts

were at work on it and the investigation was almost complete in the 11th District, and my face was very red, and Capt. Canaga felt that a case that ~~was completely finished in his district and that had been adequately handled~~ had been taken out from under his nose. I can't be too apologetic about that. We were trying to save too much paper, and I let my fellow workers down in this case. I will endeavor to see that you get everything of that sort in the future, but, of course, I can't promise 100 percent success.

The next question was submitted by Captain Smith, and it was also suggested by Captain Canaga, "Delimitation Agreement between FBI, MIS, and ONI with respect to jurisdictional investigative powers of incidents and persons in coastal areas having to do with coastal convoys, shipping lanes, commercial craft, suspects in connection with enemy craft, etc."

CAPT. SMITH: I am a little confused in my own mind where we have a Sea Frontier and Coast Guard patrols, we have 137 patrols up and down the coast all day and night, when an incident happens I don't know whose responsibility it is except that I have resolved that if my officers find anything, we investigate it at that time. Later, perhaps, we may turn it over to somebody else, but they investigate it at that time. If it resolves itself into any naval interest, we keep it, and if it doesn't, we turn it over to somebody else. I don't bother with it too much except the FBI thinks it belongs to them, and they have very few people on the coast. You can make a naval interest in almost anything you want to in this war.

CAPT. WALLER: Yes, that is true, there are several ways in which one individual gets along with other individuals. The FBI maintains that the delimitation agreement, which is based on a letter of the President that has never been rescinded, gives them jurisdiction over the waterfront, rather than the Coast Guard. We say that the Coast Guard is a part of Naval Intelli-

gence -- that they are agents of and paid by Naval Intelligence. They say that subversive activities and sabotage are theirs, unless it is committed by members of the armed forces, in which case it is parcelled out between the two different departments. You can read that in the delimitation agreement and with all honesty you can't get away from it. The whole defense of the country from the enemy is placed in the hands of the Army. I think the only answer to the thing is to smooth it over as best you can.

CAPT. MacFALL: I really think it is a case of concurrent jurisdiction.

CAPT. WALLER: In the Amagansett case, it was determined by all agencies that the FBI would take the ball and run with it, and that decision was made by the Commandant as I remember it. They straightened it out there as to who are going to have jurisdiction. I believe the best thing is to go ahead and do it and then be sorry about it afterwards, if we handled it incorrectly.

CAPT. MacFALL: I had a repetition of the Amagansett case in the same neighborhood and there was some delay before the acting officers could get there. In fact, at first there was some question as to whether the people seen there were bootleggers, and bootleggers are in existence on the coast, or whether they were something else. It was 6 o'clock before we found out exactly what was going on. Then they went up there and went into this mess with the Naval Intelligence, the FBI, and the Coast Guard all claiming that it was theirs. By this time, these people had disappeared into Yorkville, and the FBI had the greater knowledge of the facts there and could better take charge of it than anybody else, so it was turned over to them and we gave our cooperation and our support, and that worked out. The next case was this case at Tiana. There were a couple of Coastguardsmen up there and they had