

APPENDIX H

ENCLOSURE (A)

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MEMORANDUM FOR THE DIRECTOR

SUBJECT: Notes regarding the present Naval Intelligence Service.

1. The present Naval Intelligence Service consists of:

- (1) The Office of Naval Intelligence
- (2) The Naval Attache Organization abroad
- (3) The District Intelligence Services and the Intelligence Unit under the Commandant, Navy Yard, Washington, D.C.
- (4) Fleet Intelligence.

2. The Office of Naval Intelligence is actively engaged in:

- (1) The administration of the Naval Attache organization
- (2) The collection, evaluation and recording of intelligence information of foreign countries especially their sea coasts and navies
- (3) Public relations of the Navy Department
- (4) Historical records and library
- (5) Preparation and dissemination of data on our own and foreign navies
- (6) Internal administration
- (7) Counter-espionage
- (8) Security measures
- (9) Planning
- (10) Relationships with foreign Naval and Air Attaches accredited to the United States.

Personnel - Officers, Active 21, Retired 2
Temporarily assigned 8
Civilian and enlisted 40

3. In the Office of Naval Intelligence, due to personnel limitations, certain Branches, Sections and Units, prescribed in the War Organization, are not manned.

4. Certain present day activities of Naval Intelligence fall clearly within the fields assigned to those unmanned Units.

5. Certain other activities have been assigned in part or entirely to Units other than the active Units to which they are assigned in the War Organization.

6. There is no written peace organization or other document which sets forth the active Units of the office to whom responsibility for and cognizance over the various matters assigned to inactive or non-existent Units has been delegated. Hence there are certain matters, some of which are of importance, for which no person in the Organization below the Assistant Director considers himself responsible or as having authority to handle administratively.

7. In practice when matters not directly under the cognizance of an active Unit arise, they are assigned by the Director to the Unit which appears, at the time, to be best equipped to handle the particular problem or they are handled by the Director or the Assistant Director in person.

8. With changing personnel and conditions, such assignments have not been entirely consistent, and have not been considered as establishing policies covering the delegation of responsibility to the particular Unit for the handling of other or subsequent activities of the same or related nature.

9. The Office of Naval Intelligence as at present constituted, provides for administrative control and coordination in the Naval Attache organization abroad, but does not in practice provide general administrative supervision over the Intelligence Service within United States territory other than by the Assistant Director. The head of the Intelligence Branch does not exercise this responsibility or authority.

10. The Planning Section, the Administrative Branch, the Security Unit and the Investigating Unit, all take action at times in matters involving the District Intelligence Services, with reference to the special activities of the particular Unit. In these circumstances the head of the Branch, Section, or Unit, has at times acted through the Assistant Director or the Director, and not through the head of the Intelligence Branch or other coordinating agency.

11. Plans as at present developed state in more or less broad terms (1) What is to be done (2) Who should be made available to carry them out (3) What supplies, space and equipment are required (4) Organization to be developed (5) Relationships to be established (6) Flow of information within Naval Intelligence. Publications both classified and unclassified have been issued and others are in course of preparation relating to specific objectives in certain fields of intelligence and describing in detail procedure in these fields based on practices which were found efficient during the war. None of these are of such nature or in such form as to constitute of themselves operating instructions applicable to any one district Intelligence service.

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12. These plans, manuals, and other publications are or eventually will be reasonably adequate to enable the district intelligence officers to draft instructions and operating plans to govern the initial effort of the various units of his organization.

13. Aside from the Planning Section, in which ONI-19 and several manuals containing information necessary to the preparation of parts of the Naval District and Attache Service War plans have been prepared, or are in process of preparation, and from which certain directives and instructions relating to the preparation of plans have been issued; contact between the District Intelligence Services and the Office of Naval Intelligence has been almost entirely confined to matters relating to investigations, visits of foreigners, routing and dispatch of correspondence within the Naval Intelligence Service, procurement of funds, special equipment and civilian assistants for District Intelligence Officers and matters connected with the enrollment of officers in the I-V(S) reserve.

14. Each Attache has a Unit in O.N.I. which is directly concerned with the activities of his organization and to which matters concerning his activities, whether originating within or without his organization, are referred for consideration or recommendation. In addition, there is under the Assistant Director an active Foreign Intelligence Section to coordinate and administer the entire activity both within O.N.I. and in the field.

15. It appears equally necessary to maintain in O.N.I. an active Unit charged with the general administration and coordination of the activities of the District Intelligence Services.

16. In the Office of Naval Intelligence no real attempt has been made for a number of years to supervise or coordinate the training and education of either military or intelligence fields of the personnel of the Naval Reserve or of the Navy, active or retired, who are slated for Intelligence duties in War.

17. The training of Naval Reserve personnel has been assigned to the Commandants of the Districts in which the records of the various officers are carried. No attention has been paid to the officers of the Naval Reserve residing abroad whose records are carried in the Bureau of Navigation. No attempt has been made to induce officers on the retired list slated for Intelligence duties in War to pursue study in this subject. No real attempt has been made to include intelligence in the curriculum of the Post Graduate School or the War College or to encourage study in this subject by officers of the active list.

18. Certain correspondence courses in Naval Intelligence were prepared as a special project several years ago. These were turned over to the Bureau of Navigation for administrative action.

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19. O.N.I.-19 and certain other documents prepared by the Planning Section are of great value as text in training activities, though these documents were not designed for this purpose, and their issue as registered publications has, in the past, interfered with their general use for training purposes.

20. The tasks assumed by the planning section are too many and too varied for the personnel available. The revision, review and coordination of the plans for the entire Naval Intelligence Service is a task that will more than occupy the time of one officer. When there is added to this, as there has been, the actual preparation of plans for the Attache Service, for the Intelligence Services in the West Indies, for the Office of Naval Intelligence, for the Navy's part in National Cable and Radio Censorship, and National Censorship and control of public relations and the preparation, compilation and issue of the various manuals and registered publications required for the directives of those connected with Naval Intelligence in the various fields both active and inactive in peace and which are essential for the preparation by the various field services of mobilization and operating plans for war, the work of this Section is years behind. Adequate plans for certain Intelligence activities cannot be prepared in the Naval Districts until instructions on which they must be based are issued or revised. Estimates of personnel, material and logistic requirements cannot be made until these plans are completed.

21. The assignment to the planning section of at least one additional officer and a confidential clerk in addition to the personnel to be assigned to the Training Unit, even if this personnel must be taken from some one of the other Units of the Office is of such importance that it should be given immediate consideration.

22. The task of preparing, administering, and, in the case of officers of the Intelligence Branch of the Naval Reserve who are not assigned to one of the District Intelligence Services, of conducting the training of reserve personnel slated for duty in Naval Intelligence in War, is being assumed by the Office of Naval Intelligence. A Training Unit is being formed which will become a part of the planning section.

23. Of immediate importance is a redetermination of the peacetime tasks of the Office of Naval Intelligence, and their relative importance based on the personnel and facilities available to the Office; the assignment of these tasks to specific Branches, Sections and Units, which are manned in time of peace, and the preparation and issue to the personnel of the Office of a written peace organization in which are clearly stated the missions, tasks, cognizance and authority of each Branch, Section and Unit.

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24. This should serve to bring each one of the activities of the Intelligence Service as a whole directly under the cognizance of some one Unit of the Office, and provide for the evaluation of information received. The only written organization that now exists is a War Plan, which is secret, and is not available for ready reference, and does not contain directives as to the relative importance of the various activities.

25. Of primary importance is the assignment of the tasks of coordination of effort in, and administrative supervision over, the District Intelligence Services, and the evaluation of information received from sources within the United States regarding foreign nations, and study of sources of information available but untapped or ineffectively utilized.

26. The Naval Attache organization abroad consists of Attaches and in some cases Assistant Attaches accredited each to one or more foreign countries in Europe, Asia and South America. In addition, there are small numbers of officers abroad attending schools, government or private, or engaged in the study of foreign languages, whose activities come under Naval Intelligence. Missions in Brazil, the Argentine and Peru, consisting each of a few officers and enlisted personnel are also in part under Naval Intelligence, but are not included in the Naval Intelligence Service.

Personnel - Attaches and Assistant Attaches 27 officers and approximately 30 civilian and enlisted personnel.
Student officers 22.

27. In each district certain of the reserve officers are slated for duty in each of the following fields:

- (a) Cable and radio censorship
- (b) Public relations
- (c) Internal administration
- (d) Counter-espionage, security, ship and plant protection
- (e) Enemy and coastal Intelligence
- (f) Outlying zones and units where (b), (d) and (e) may all be involved.

28. No District Intelligence Officer will on reporting have real knowledge of what is required in more than one or two of the above. Most of the District Intelligence Officers initially will not be qualified to instruct or advise in any one of them.

29. It is obviously impossible for officers who have had no training in or previous detailed knowledge of any field of Naval Intelligence, to originate, initiate and conduct effective training in this subject.

30. Hence there has been in the past assigned to the Naval Districts a task which the Districts could not successfully accomplish. As a result the situation in regard to the administration and training of the I-V(S) reserve is definitely unsatisfactory.

31. The District Intelligence Officers can at most perform the duties incident to the distribution of and the review of correspondence courses taken by the personnel assigned to the District, provided:

- (1) Courses are furnished including text, questions and acceptable answers
- (2) Full and detailed instructions as to the personnel to whom individual courses are and are not to be furnished is provided
- (3) Documents required and facilities for their handling are made available
- (4) Too many other duties are not assigned either by the Commandant or by O.N.I.

32. As the officers of the I-V(S) reserve will only be assigned to active duty in War, their training should be based on their War duties and responsibilities. The determining of these is a responsibility of the Planning Section. Hence, the Unit of O.N.I. which can best prepare effective training courses will be one under the Planning Section.

33. Fleet Intelligence, aside from the organization in being in the Asiatic Fleet, is largely theoretical. Intelligence duties throughout the U.S. Fleet are assigned as additional duty throughout. Press relations and to a very limited extent counter-espionage and security are actively engaged in. Other activities in intelligence are in general ignored.

Personnel - Asiatic Fleet approximately 4 officers, 4 enlisted full time primary assignment. One officer each vessel and staff, additional duty. U.S. Fleet one officer each staff, Fleet air base, Submarine base, large ships, and division small ships, additional duty.

34. In general Naval Intelligence functions as a service within the Office of Naval Intelligence and abroad. Within the Fleet and in the Naval Districts, Naval Intelligence as a service does not in reality exist. The personnel assigned are in reality aides for information to the Military Commanders to whom they report. While in general they are given a reasonable amount of independent executive authority in matters directly concerned with Intelligence, this is not always the case. Their fitness reports are made out by the Commanders or Commandants to whose staffs they are assigned and the Commandants are authorized to direct or restrict their activities in connection with intelligence matters.

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35. This organization appears to be logically organized and well coordinated and administered.

36. While a very great improvement and advance in the conduct of activities in the District Intelligence Services as a whole is in progress, the situation in regard to the plans, personnel, or fields of activity in certain districts cannot be considered as satisfactory.

37. The District Intelligence Services are an element of the headquarters staff in the active Naval Districts plus a unit attached to the Navy Yard, Washington, D.C.

38. The District Intelligence Services at present consist of an officer and a clerk in the 1st, 4th, 5th, 9th, 12th, 13th and 14th Naval Districts, two officers and two clerks in the 3rd and 11th Naval Districts, one officer and a clerk in the 6th Naval District who handles the Naval Intelligence activities of the 6th, 7th and 8th Districts, and one officer in the 15th and 16th and at the Navy Yard, Washington D.C., who are assigned Intelligence duties as additional duty.

39. A Chief Yeoman is assigned to the Intelligence service of the 14th Naval District, two inspectors are assigned in the 3rd Naval District and in various naval districts a civilian assistant is available.

40. An additional office will be of need in the 8th Naval District with an officer and a clerk in the near future.

41. The officers in charge of branch hydrographic offices and of recruiting divisions and offices, have recently been ordered to assist the Intelligence Service of the districts in which they are located as additional duty.

42. It is difficult to estimate the amount of assistance these officers have been to the various District Intelligence services. It is believed that further study in this field is warranted.

43. The duties and responsibilities of the District Intelligence Services during peace are set forth in the Naval District Manual and in O.N.I.-19. These may be summarized as:

- (a) Maintenance of Press Relations for District Headquarters
- (b) Liaison with the investigating units of Federal, State, City agencies, within the District.
- (c) Liaison with public and private research agencies and with business interests having information in intelligence fields.
- (d) Liaison with the Office of Naval Intelligence and the Intelligence Services of the other Naval Districts and forces afloat within the District.

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Authority NND 68754

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- (e) Counter-espionage, security and investigations
- (f) Collection, evaluation and recording of information regarding persons or organizations of value to or opposed to the Navy.
- (g) Preparation and maintenance of Intelligence plans for War
- (h) Administrative supervision over the recruiting, training and activities of the personnel of the I-V(S) branch of the Naval Reserve within the District.

44. These fields are so varied that, considering the requirements for promotion, it is almost impossible for officers to ever acquire a detailed knowledge of or actual experience in more than one or two of them. The Naval Districts cannot be supplied with personnel who are initially technically qualified to administer the various activities included in the District Intelligence Service - they do not exist. Practically every District Intelligence Officer is in reality undergoing a course of training during his first tour of duty as such.

45. In each district a, b, c, and d above could easily more than occupy the entire time of the personnel of the District Intelligence Service, e and f combined, and g and h combined, could equally of themselves overtax the present district personnel.

46. In consequence much of the work assigned to the District Intelligence service never gets done even in the most favorably situated District. This is recognized and at present is taken care of by not demanding of the District Services the active prosecution of any particular activity and by granting to the Commandants authority to determine which of the activities or what parts of activities shall be actively engaged in and which shall in effect be disregarded or assigned to some other activity within his district.

47. Due to the continued active interest of the Office of Naval Intelligence in counter-espionage and investigations in various fields, and in regulating the visits of foreigners to naval activities or to establishments where naval material is being constructed, and due to the active interest of the press in naval matters in general, the District Intelligence Services have devoted a large part of their time and energy to these fields, and other activities and responsibilities such as planning and the training and administration of personnel have received comparatively little attention.

48. The tendency in the District Intelligence Services has been to concentrate on matters of current administration and to give secondary consideration to those matters including War plans, training of personnel, assembly of information regarding persons or organizations from whom help or opposition is to be expected in War, as these can be deferred without noticeable interference with current operations.

49. The preparation of War plans is the most difficult and exacting task assigned the District Intelligence Officer.

Before the District Intelligence Officer can intelligently compile or revise any part of the plan he must:

- a. Be thoroughly familiar with basic plans of Naval Intelligence.
- b. Be thoroughly familiar with the plans of other Naval activities in the district.
- c. Be thoroughly familiar with all existing manuals and instructions issued by the Office of Naval Intelligence.
- d. Be thoroughly familiar with the instructions covering the approved terminology and the manner in which the plan must be physically performed.
- e. Have made an actual physical inspection of the areas in the district in which units are to be based.

50. It is extremely improbable that, considering the other requirements of the district intelligence service, the District Intelligence Officer will be able to accomplish the above during the first year of his tour of duty. Unless he is permitted to remain for three years it is highly improbable that he will have materially improved the plans when he is detached.

51. The requirements of secrecy, which limit the personnel who can be employed, which impose burdensome security measures in connection with documents necessarily involved, and which delay all communications, greatly reduce the amount of time that otherwise could be available for this work.

52. Under the existing conditions each District Intelligence Officer is expected to maintain liaison with, and to administer the training of, from 20 to 100 officers of the I-V(S) reserve.

53. Unlike the Attache services which, while a part of the organization of Embassies or Legations abroad, are almost completely administered by the Office of Naval Intelligence, the District Intelligence Services are a part of the Military Commands of the District Commanders. Personnel assigned to them are primarily concerned with matters of direct interest to the Commandant.

54. Officers assigned to duty in the Foreign Attache Service are usually nominated by the Director of Naval Intelligence, and in addition are usually ordered to temporary duty in the Office of Naval Intelligence, where study of background and instruction in matters of important current interest are made available.

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55. Officers assigned to duty as Intelligence Officers of Naval Districts have in the past been in large part selected by the Bureau of Navigation, and have seldom been ordered to duty in O.N.I. prior to their reporting for duty at District Headquarters.

56. At present only three of the officers in the various District Intelligence Services had had any intelligence experience when they were so assigned. There is little immediate prospect for improvement in this regard.

57. The fields assigned to Naval Intelligence are so varied, that, considering the requirements for promotion in the Naval Service, it is almost impossible for officers to ever acquire a detailed knowledge of or actual experience in more than one or two of them. In several of these fields practical experience and even real research is impossible in time of peace, for they either do not exist or are legally forbidden. Aside from the Director and Assistant Director of Naval Intelligence, no one in the Naval Service ever is assigned a position in which he ever has access to the information regarding all fields. The head of the planning section has knowledge of the scope of each of the fields but very limited knowledge of the practical conduct of activities within them. District Intelligence Officers to greater or less extent acquire during their tours of duty knowledge and experience in the fields that are active in peace within the United States. Attaches acquire a knowledge of matters active in time of peace in foreign fields. Officers assigned desks in the Office of Naval Intelligence acquire intimate knowledge of the field to which assigned and more or less limited knowledge in some of the other active fields.

58. In the fields inactive in peace, aside from the officers in charge of the Planning Section in the Office of Naval Intelligence, no one has knowledge based on extensive detailed study of source material.

h. Among the specific activities assigned to the Naval Intelligence Service in War, which do not exist in peace are:

- (a) The organization and administration of national cable and radio censorship
- (b) The scanning of the foreign language press in the United States and its possessions
- (c) The organization in the Office of Naval Intelligence and in the District Intelligence Services of sections to initiate and administer propaganda in support of the war
- (d) The collection and evaluation of the flow of enemy commerce throughout the world
- (e) The protection of naval shore establishments, and the assurance that private plants engaged in work for the Navy are protected against sabotage and enemy espionage