



August 31, 2016

[Redacted]

FOIPA Request No.: [Redacted]
Subject: FILE NUMBER 66-HQ-8603

Dear Mr. [Redacted]

You were previously advised we were consulting with another agency concerning information located as a result of your Freedom of Information Act (FOIA) request.

This consultation is complete and the enclosed material is being released to you with deletions made pursuant to Title 5, United States Code, Section 552 as noted below. See the enclosed form for an explanation of these exemptions.

Section 552

- (b)(1)
- (b)(2)
- (b)(3)

- (b)(4)
- (b)(5)
- (b)(6)

- (b)(7)(A)
- (b)(7)(B)
- (b)(7)(C)
- (b)(7)(D)
- (b)(7)(E)
- (b)(7)(F)
- (b)(8)
- (b)(9)

Section 552a

- (d)(5)
- (j)(2)
- (k)(1)
- (k)(2)
- (k)(3)
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- (k)(7)

52 pages were reviewed and 52 pages are being released.

Consultation was made with the Department of State, the Office of Management and Budget, and the Department of Navy/Naval Criminal Investigative Service. Upon their review of the referred document, all three (3) agencies determined that their information no longer warranted continued security classification.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S. C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

For questions regarding our determinations, visit the www.fbi.gov/foia website under "Contact Us." The FOIPA Request Number listed above has been assigned to your request. Please use this number in all correspondence concerning your request. Your patience is appreciated.


You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following web site: <https://foiaonline.regulations.gov/foia/action/public/home>. Your appeal must be postmarked or electronically transmitted within sixty (60) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so that it may be easily identified.

You may seek dispute resolution services by contacting the Office of Government Information Services (OGIS) at 877-684-6448, or by emailing ogis@nara.gov. Alternatively, you may contact the FBI's FOIA Public Liaison by emailing foipaquestions@ic.fbi.gov. If you submit your dispute resolution correspondence by email, the subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so that it may be easily identified.



See additional information which follows.

Sincerely,



David M. Hardy
Section Chief,
Record/Information
Dissemination Section
Records Management Division

Enclosures (2)

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

Mr. Tolson	✓
Mr. E. A. Tamm	✓
Mr. Clegg	✓
Mr. Glavin	✓
Mr. Ladd	✓
Mr. Rosen	✓
Mr. Tracy	✓
Mr. Carson	✓
Mr. Egan	✓
Mr. Hendon	✓
Mr. Pennington	✓
Mr. Quinn Tamm	✓
Mr. Nease	✓

Office Memorandum • UNITED STATES GOVERNMENT

VFK:rls

TO : MR. LADD

FROM : C. H. CARSON

SUBJECT:

DATE: November 29, 1944

BACKGROUND

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/9/89 BY [signature]

There is attached a copy of "A Proposal for the Creation of an Interdepartmental Security Coordination" prepared by the Bureau of the Budget. This proposal is summarized in this memorandum.

DETAILS

Basically, this memorandum by the Bureau of the Budget, after setting forth that present methods of coordinating intelligence information and the work of the intelligence agencies of the United States Government are inefficient, costly and result in triplication of effort, sets up a scheme for an inter-departmental coordinating body composed of Assistant Secretaries of State, War, Navy, Treasury, and the Assistant Attorney General. The Assistant Secretary of State would be the Chairman of the group. Subgroups of representatives from the various agencies concerned would be set up in each "type or locus of operation" which would be charged by the top group with developing detailed operating plans. The thesis of both the criticism of present conditions and of the operating plans appears to be found in this statement: "In some measure the participation of every agency of the Government is an essential feature of complete security, particularly as regards espionage." Under the plan set forth each agency would continue to operate in its particular field but clearing through the coordinating agency.

The memorandum points out that legislation already exists giving the various agencies the necessary powers to operate within their particular field and that no additional legislation would be necessary to put their proposed plan into operation. The Bureau of the Budget attaches a suggested agreement by the agencies to effectuate the proposed plan. The Bureau of the Budget admits that such a plan will only work if all of the agencies have a sincere desire to cooperate in order to have an effective intelligence program for the protection of the United States.

In developing the criticism of present conditions the Bureau of the Budget sets forth historically the development of the Government-wide security program since the beginning of the current war. They point out that there was no basic plan of development of the security program and there was an absence of a directing agency or other form of machinery through which operating activities could be divided up among the various agencies. As a result of this there was a failure to utilize existing resources and, as an example, they point out that the FBI had facilities for the training of investigators and the maintenance and use of files to support investigative activities which were not used by the Army and Navy, but instead the Army and Navy organized their own training programs and even developed extensive crime detection laboratories. Also in the total security effort responsibilities were not clear with respect to the various agencies and the example used was the burning of the steamer

1 ENCL NO 36 JAN 28 1952 RECORDED - 85 INDEXED - 85 JAN 10 1952 66-8603-534X PERS. FILES

"Normandie" in which there was a total failure to establish who was responsible.

This report sets forth that the conduct of the security program has been shared principally by the FBI, MIS, and ONI. Attempts were made to coordinate, as among the agencies, by cooperation through liaison, meetings, exchange of information, etc., and by delimitation agreements, the Inter-departmental Intelligence Committee being set up to achieve the former. The Bureau of the Budget points out as criticism that the Interdepartmental Intelligence Committee made a mistake in not including in its membership any of the "action agencies;" it had no Chairman; no carefully defined mission; and no delegation of authority from the departments of the agencies which it represented. It was also pointed out that an examination of the minutes of the committee reflects that it spent its time on amplifications and refinements of the language of the delimitation agreement; discussion of cases of conflict in jurisdiction; and mutual exchange of information. The Bureau of the Budget states that the delimitation agreements have also been an inadequate device to insure maximum coordination and that it made no attempt to divide responsibilities or to develop a plan for coordinating the three agencies into one integrated ^{body}. They say, "The fundamental weakness of the delimitation agreement is that it attempts to delimit spheres of operating rather than kinds of operations and does so in a situation in which each of the agencies is assuming the same total interest and responsibility."

With reference to the present situation the Bureau of the Budget admits that success has been achieved but in a costly cumbersome way. They state that there is a diversity of opinion as to whether the security program achieved the success or as to whether there was ever any real threat from the Germans and Japanese in that they refrained from a program of sabotage or espionage or that the efforts made by the German and Japanese were amateurish and ineffectual. The Bureau of the Budget points out that the Armed forces are taking steps to curtail personnel and that with their withdrawal from the field the activities tend to center in the FBI. The Bureau of the Budget states that in view of this trend it appears to be the propitious time to effectuate a plan of coordination for the future.

Under Conclusions and Recommendations it is stated, "There is a growing conviction that our internal security cannot be viewed apart from the external influences affecting it." The essence of the plan is that all agencies of the Government should be included in the plan and that one coordinator or "Czar" is not practical. They also claim that the "Committee Device" is not effective, apparently referring to the Interdepartmental Intelligence Committee. It suggests that any group organized to develop a Government-wide plan must be charged with a definite responsibility, and representation from the departments must be on a sufficiently high level to permit delegation of power and authority. They point out that the State Department would appear to be "the locus of coordination." They suggest that a subgroup of the main body comprised with representatives from ONI, MIS, FBI, and State should be charged with developing a plan to coordinate and delimit the operating responsibilities in the counter or security intelligence fields. This group should be expanded to include agencies such as SEC, Alien

Property Custodian, Foreign Funds Control, etc., and if the work encompasses "coordination of a preventive or loyalty type of investigation," there should also be included the Civil Service Commission, the various agencies in the Treasury Department, the Provost Marshal General, Coast Guard and others.

The Bureau of the Budget also stated that another primary sub-group should be formed possibly composed of the Provost Marshal General, the Security Division of CNO (Navy), and the FBI (as liaison with local and state police), Customs, Immigration, Coast Guard, Visa and Passport Divisions of the State Department, etc., to deal with emergency plans in connection with natural catastrophes, riot, insurrection, etc.

The Bureau claims that the delegation "up" from the respective member departments to the Coordinating Committee would provide a plan for pooling of the legislated and other authorities of the various departments, and the responsibility for protecting the interest of agencies would be lodged in the Interdepartmental Security Coordination Committee.

The suggested interdepartmental agreement on security, which establishes the plan set forth above, is attached. It states that the agreement is concerned with the "collection, evaluation, and dissemination of intelligence to unmask potentially or actually dangerous persons as defined above and to determine their plans and the means for carrying them out. The scope of the agreement does not include the collection, evaluation, and dissemination of other kinds of information or intelligence, such as political, general, economic, military, etc." The departments party to this agreement "without divesting themselves of any ultimate responsibilities which they each might be charged with by legislation, custom or otherwise, agree that within the stated field of interest, the actions and decisions of the Interdepartmental Security Coordination will be final and the operating plans will be binding on the subscribing departments."

The agreement provides for appointment of subcommittees to study particular problems and sets out certain problems as requiring immediate attention. Those briefly are collection of counter and security intelligence at home or abroad; questions as to the need for legal or Security Attaches, liaison with foreign organizations, etc.; maintenance of detailed files and dissemination of security information; investigations of suspicious individuals, including the question of maintaining joint crime detecting and training facilities; character investigations; restrictions of shore craft; restricted areas; control of alien properties, funds, etc.; control of communication resources; and emergency plans for dealing with riots, disorders, natural catastrophes, martial law.

Obviously the Bureau of the Budget plan is impractical and is certainly not an improvement over existing conditions. The various agencies concerned can "have their cake and eat it too" in that a plan of security for the United States Government can be achieved without any agency giving up any of its powers, authority, or jurisdiction. The various agencies will merely get together and reach an agreement achieving this plan of coordination.

It is obvious that the Bureau of the Budget is not certain as to just what is included in security intelligence fields in that they include natural catastrophes, riots, etc. Although they criticize the Interdepartmental Intelligence Committee and say that the "Committee plan" will not work, in effect they are proposing an overall interdepartmental committee with various subcommittees, which is merely an extension of the complications that already exist in connection with the present committee operations. In effect the Bureau of the Budget proposes a gigantic delimitation agreement including all agencies in place of the delimitation agreements which exist now and are severely criticized by the Bureau of the Budget.

The plan inherently does not touch the core of this problem; i.e., intelligence coverage, in that it would tend to decentralize responsibility and would provide for maintaining intelligence information by various agencies operating in various fields instead of a central responsible agency.

There is attached to the Bureau of the Budget's proposal as exhibits the Presidential Directive, June 26, 1939; delimitation agreement among FBI, ONI, and G-2, dated June 5, 1940; delimitation agreement of February 9, 1942; and "memoranda interpreting delimitation agreements" consisting of memorandum from ONI Officer, 12th Naval District, to the Director of Naval Intelligence relating to investigative jurisdiction of Merchant Marine personnel and a memorandum entitled "For Captain Waller" of August 12, 1942, relating to the same matter.

Attachment

Photostatic copies of Schwarzwald's plan, which is attached, was obtained from Fred Lyon of the State Department, who requested that it be held in extreme confidence and that there should be no indication that the Bureau has a copy of it or that he, Mr. Lyon, at any time discussed this matter with the Bureau.

A Proposal
for the creation of
an
Interdepartmental Security Coordination

Executive Office of the President
Bureau of the Budget
Division of Administrative Management
2 November 1944

Table of Contents

Heading	Subheadings	Pages
Foreword		
Discussion		
	Development of Government-wide Security Program	
	Development of FBI - MIS - CWI Coordination	
	The Present Situation	
Conclusions and Recommendations		
	The Need for Security Planning	
	The Nature of the Planning Necessary	
	The Nature of Formal Machinery for Planning	
	The Need for Formal Machinery Implement Plans	
	Delegation of Operating Responsibility and Authority	
Appendix		
	Tab A - Presidential Letter of June 26, 1939	
	Tab B - Delimitation Agreements	
	Tab C - Memoranda Interpreting Delimitation Agreements	

F O R E W O R D

This report results from a series of studies in the fields of intelligence, counterintelligence, and security undertaken by staff of the Division of Administrative Management of the Bureau of the Budget.

During the course of these studies, contact was had with many officials in a great number of federal investigative, security and intelligence agencies. Some were seen briefly, while in other cases a more detailed study of the agency was conducted. Any achievements resulting from these studies are due in great measure to the cooperation and assistance received from the agencies and to the confidence displayed by them in making available all essential information, much of which was of a highly confidential nature.

DISCUSSION

"Security" has become a word which is now on everyone's lips. It is something which we want. As a word, it is like "liberty" or "national defense," understood by each of us and, for ordinary purposes, needing no defining.

When we come to the problem, however, as to what we as a government can do to achieve security, it becomes apparent that complete security is made up of a number of different kinds of security each contributing to the whole. Obviously no one individual, agency, or even combination of agencies can encompass with any hope of doing more than a superficial job, all the various elements that make up total security.

Such phrases as "is responsible for all security measures in the Continental United States," "comprises all activities designed to protect our war operations," "neutralizes all enemy machinations short of actual combat," "is responsible for the protection of all facilities vital to the war effort," etc., have already played their part in contributing to administrative complexities, confusion and overlap.

This report which examines the means for achieving a better result in one segment of security begins with the premise that good administration is at least 50% a matter of knowing what the field of primary interest is, what it encompasses, and where it breaks off.

"Security" as used in this report, therefore, concerns only the defensive or control measures taken to counter the activities of dangerous or hostile individuals, movements, groups, or organizations which are potentially or actually inimical to our national stability or defense. Such harmful activities include espionage, sabotage, disaffection, sedition and subversion.

The word "security," then, as used in this report does not include as a matter of primary interest measures of military security primarily taken to counter the use of hostile military power and implemented through the use of organized armed forces nor does it include measures of political security primarily taken to counter the actions of a hostile government and implemented through treaties, pacts, or other diplomatic action. Similarly it does not include as a matter of primary interest measures of economic security taken to counter the effects of economic penetration or control of the world's resources and implemented through tariffs, trade agreements, etc.

It should be noted that in explaining the sense in which the word "security" is used in the report, it was not intended to take the position that the various phases of security are unrelated. Quite necessarily many of the operations that are conducted to achieve the limited security as defined, will require making use of facilities or operations being conducted primarily to meet the needs of one or more of the other forms of security.

The word "counterintelligence" where used in this report refers simply to the special kind of intelligence which is collected, evaluated and either held in readiness or disseminated for the sole purpose of serving the needs of the "action" agencies concerned with security as defined above. Counter, or perhaps better stated, security intelligence is thus simply another kind of intelligence like economic intelligence, order of battle intelligence, etc.

Intelligence itself has been thought of simply as evaluated information, the word evaluated being used in full sense and embracing all the means for testing the validity and significance of information at hand.

The discussion which follows reviews the development of the total government-wide security program and of the FBI-MIS-ONI programs. The discussion also presents the present situation and examines some of the weaknesses and omissions in the development and present status of these programs.

A separate section which follows summarizes the conclusions and recommendations.

Development of Government-wide Security Program

The manner in which the government-wide security program developed subsequent to the declaration of the national emergency was powerfully influenced by certain basic circumstances.

The first of these circumstances was the fact of widely distributed "interest." In some measure the participation of every agency of the government is an essential feature of complete security, particularly as regards espionage. The number and diversity of programs of even the principal agencies specifically concerned with actively safeguarding security is large.

Secondly, there was no basic plan which took into consideration this diversity and dispersion of interest. The conversion of these agencies from peacetime to wartime security has been accomplished largely within the framework of control already existing in statute and without much special legislation or broad grants of authority. Unlike the United Kingdom, this country entered into a state of emergency without prior legislation prepared and ready, defining the responsibilities and authorities of the various agencies.

The third circumstance was the absence of a directing agency or other formal machinery through which operating activities could be divided up among the various agencies in such a way that the agency which assumed responsibility for an operation could discharge this responsibility to cover the "interests" of all agencies of the government.

In view of these basic circumstances, certain consequences were inevitable.

The first of these consequences was the failure to build around existing programs and resources in developing activities of a security nature. This resulted in the development, without any relationship to the total picture, of programs duplicating other programs; of new programs which invaded fields of other agencies and which were later jealously resented by those agencies; or of programs of dubious or marginal value some of which consumed large amounts of effort, manpower and money. The result has been costly.

The following examples are cited, not as the most noteworthy instances of the above, nor as a compilation of all instances, but merely as illustrative of situations in which some prior study of security from a government-wide point of view and the accomplishment of prior legislation and broader joint agreements might have produced a more effective result with less confusion, improvisation, and cost.

a. The Border Patrol of the Immigration and Naturalization Service maintains in peacetime a surveillance of the border, including such places as the Florida coast. It has a school at El Paso and a competent corps of men trained in this type of work. In the early stages of the present emergency many of its staff were drafted or commissioned in the military forces where they have been used to organize

beach patrol operations. Training programs for other hastily commissioned officers were improvised and no use made of the Border Patrol training facilities at El Paso. It is possible that had there been any machinery for quick and easy coordination, the facilities of this agency could have been better integrated into the expanding need for this type of protective operation.

b. The facilities of the FBI, particularly those related to the training of investigators and the maintenance and use of files to support investigative activities, were not integrated into a program which would serve government-wide needs. Both the Army and the Navy have organized training programs without reference to the use that conceivably could have been made of these resources. Several quite extensive crime detection laboratories have even been created out of military funds. The maintenance of triplicate files in Army, Navy, and FBI has been extremely costly and not produced any one file system set up with maximum efficiency and availability for all possible uses. The tendency to create files at every possible level where they might be useful has proceeded so far that on most Army posts and in zone and district offices of the Navy District Intelligence Offices card files will be found with from several to many thousands of names, of dubious value to the security of those posts or areas. For example, the file of several thousand cards at Morrison Field lists such information as "the Wisconsin Dairy Farmers Union and Alaska Cannery Refiners Union — subversive organizations"; likewise, on file in subdivisions of the MIS and in all Naval Districts and many Zone Offices are such cards as "Countess Emily _____" (under investigation by FBI as possible Austrian spy opening a bank account in Texas). Similar wasted effort has been involved in the maintenance of files outside the U.S. particularly in many missions and theaters of operation. The failure to centralize this responsibility through a pooling of all resources has also resulted in much improvisation in order to make available material for use in occupied areas.

c. The activity centering around the arrival in this country of neutral ships and aircraft finds each agency concerned with security safeguarding its own "interests" by actual participation. The one notable exception is the arrangement made by the Office of Censorship by which Customs agents act in its interest in detecting third party letters. The arrangement required the Office of Censorship

to "delegate" its authority to seize such letters along with the delegation of operating responsibility.

d. The inability of the Civil Service Commission to keep pace with the requests for background investigations to determine the loyalty of the expanding federal personnel, and the lack of a clear-cut government-wide policy as to the effectiveness of the background type of investigation, have led to the creation of a number of investigative programs of dubious value. Hundreds of thousands of persons have been given a very casual investigation. Many of them have been investigated in this manner numerous times.

The second consequence was the achievement of a total security effort in which responsibilities were not clear. An incident such as the burning of the "Normandie" found us unable to establish with certainty who was responsible or, at least, whose failure contributed most to the disaster. Further, in the absence of any formal machinery to secure coordination and unified action, the achievement of security has been dependent largely upon cooperative effort among the various agencies involved. Security programs have not always developed with the same rapidity and ease within the many agencies concerned, and there have been numerous instances of impatience of one agency with another. A frequent phenomenon has been the effort of one agency to stimulate or "advise" another. The intelligence agencies, which were most likely to have anticipated the need for more effective action to attain security in a given area, usually found that area to be within the legislated prerogative of another agency which was operating under a peacetime conception and with a peacetime staff. Impelled by the sincere desire to take steps in the interest of the protection of the country and by using a broad interpretation of their "responsibilities", the intelligence agencies developed operating security programs which might better have been conducted elsewhere by reorientation and expansion of existing programs and staff. This is very understandable, even laudable, and is less a criticism than an indication of the lack of adequate machinery to accomplish quickly, easily, and with uniform progression within each agency concerned the necessary conversion from a state of complacency to one of alertness. Even with the best of intentions, the realization of the importance of security, stimulated by such events as the fall of France, developed so quickly that, with the necessity to clear through so many successively higher levels of interagency command, there was not enough time to secure common agreement and efficient delineation of responsibilities.

Development of FBI-MIS-NIS Coordination

The assembling of the mass of information, primarily concerning individuals, movements and groups, which is essential to the conduct of security programs has been shared principally among the FBI-MIS and ONI. The problems created by this division of responsibility has been principally one of coordination.

Coordination among the three investigative agencies in the field of counterintelligence has been attempted:

a. By cooperation through continuous liaison, meetings, exchange of information, joint operations, and some discussions of common policy questions. On June 6, 1939, when the President centered the investigation of matters involving espionage, counter-espionage, and sabotage in the MIS, ONI, and FBI, he stated in his letter to Cabinet Officers, "The directors of these three agencies are to function as a committee to coordinate their activities." (Tab A) The three services thus organized the Interdepartmental Intelligence Committee consisting of the heads of the agencies. This committee has no chairmanship, and the three agencies represented are themselves subordinate parts of departments which failed to make any formal delegation of responsibility and authority to the Committee.

b. By delimitation agreement defining areas of investigative jurisdiction and primary responsibility for coverage. The first version of this agreement among the three agencies was on June 5, 1940, a year after the President's letter referred to above. This initial delimitation agreement has been amended formally as "twilight zones" were encountered in which clear-cut "jurisdiction" was not apparent. (Tab B. Secret agreements are not included in order to retain confidential classification on the report.) In addition, the attempt to define investigative areas which would not conflict has necessitated almost constant discussion and interpretation. Examples of the complexity of the memoranda necessary are shown in Tab C.

These devices have been inadequate to prevent frequent triplication, overlap, friction, and some interference with the proper development of certain cases.

The Interdepartmental Intelligence Committee did not include in its membership any of the action agencies through which measures are taken to safeguard security following

investigation. The Committee had no chairman, no carefully defined mission, and no delegation of authority from the departments of which the three agencies were subordinate parts. It has not been, therefore a completely adequate device for insuring maximum result with minimum confusion and wasted effort. A review of the minutes of this Committee reveals that the greatest portion of its time was devoted to three subjects: (1) amplifications and refinements in language of the delimitation agreement; (2) discussion of cases of conflict in jurisdiction; and (3) mutual exchange of information.

With respect to (1) above, the delimitation agreement, with amendments, amplifications, and interpretations, is the keystone of operating procedure developed by the IIC.

The delimitation agreement, like the Interdepartmental Intelligence Committee, has also been an inadequate device to insure maximum coordination. It makes no attempt to divide responsibilities or to develop a plan by which the program of the three agencies can be welded into one integrated program with minimum duplication and effort. It deals with investigative "jurisdiction," and does so by categories of individuals to be investigated rather than in terms of the kinds of investigations, locus of investigation, special capability to conduct an investigation, or some other such basis. Except for strictly routine investigation of an individual's background, a security or counterintelligence investigation can seldom be conducted apart from the relationship of the individual or incident under investigation to other individuals or groups which in turn may already be under investigation by one or more of the other agencies. Individual cases have not fitted into the categories of the delimitation agreement.

The broader question of the inadequacy of the delimitation agreement in terms of the lack of formal machinery of coordination is, however, more significant.

The fundamental weakness of the delimitation agreement is that it attempts to delimit spheres of operating rather than kinds of operations and does so in a situation, in which each of the agencies is assuming the same total interest and responsibility. The naval and military services feel that in wartime their "interest" in and responsibility for the security of the country cannot be delimited any more than can the FBI's. The absence of authoritative machinery to delegate and delimit operating responsibility in such a

way as to cover and safeguard the interests of all agencies has led each of the services to assume that it had to inspect each individual action of the other agencies and conduct any operation deemed necessary to cover any imagined deficiency. The question as to whether the FBI was the key agency, the sole agency, or the agency to assist the military forces arose time and time again.

Against this background it is apparent that unless any of the three services is willing either to accept a delimited interest, or permit its "interest" to be covered by the operations of another of the three agencies, no delimitation agreement affecting investigative or coverage jurisdiction can be completely satisfactory. This began to become apparent to the services themselves particularly by the beginning of 1943, at which time the cooperative phase discussed below began to supplant the delimitation phase.

With respect to (2) the record reflects hundreds of such cases. The early history of the IIC included a number of situations of annoyance of one agency with another. Since the Committee was not responsible to anyone, and had no assigned mission or chairman, it could not function adequately in settling cases of conflicting jurisdiction whenever the circumstances of the case involved annoyance. In such instances, it frequently became necessary to resort to the exchange of formal letters just as if there were no mechanism of coordination. The fire at the Naval Powder Factory at Indian Head is one such early case. In this case FBI agents had investigated the fire on request of the officer in charge. ONI resented FBI's interest, feeling that it had "jurisdiction."

Because of the weaknesses already referred to, the Interdepartmental Intelligence Committee never did become an instrument of planned coordination. It has, however, served a purpose in minimizing actual conflict. If the Indian Head fire case were to develop over again today there would probably be no annoyance over jurisdiction, since both probably would investigate and then exchange their reports.

Subject (3) above, therefore, reflects the cooperative phase of the work of IIC which characterized its later and current history. However, while cooperation may have the effect of eliminating friction and annoyance, as a substitute for coordination or consolidation of operations it is extremely costly, and in this case on occasion has brought so many persons into one situation that a proper investigation was not possible. Further, the attempt to maintain

through cooperation a continuous exchange of information among all three agencies (and, in the case of military agencies, among the headquarters organizations and the multiplicity of field units) requires successive summarizing and "carding." This results in very sketchy, undeveloped and inconclusive "gossipy" type of information being scattered over the country in the many files maintained of "suspects" of "potential interest" to the agency concerned. It frequently results, therefore, that such information is put to use by an agency other than the one which originally developed it and away from the full original report which alone can supply an adequate picture of precisely how the information should be treated. It further means that nowhere is there a complete file completely available and accessible for all purposes essential to a proper government-wide security program.

The Present Situation

The present situation can be viewed in terms of progress towards the achievement of security and toward the solution of the administrative problems brought out in the preceding discussion.

The tremendous expansion of facilities and programs in the security field which has occurred since 1939 has contributed in a costly cumbersome way to the achievement of security. Whereas it was not apparent that we had security in 1941, it is generally recognized that we do have it now at least insofar as it is affected by influences outside the country. There is wide diversity of opinion as to what brought about this situation. Many persons, particularly those engaged in security work, feel that everything that was done was essential to this achievement. Some feel that there never was any real threat--that the Germans and Japanese either consciously refrained from planning a wide scale sabotage, espionage and fifth column activity directed against this country, or made amateurish and ineffectual plans. No act of sabotage in this country has been traceable to an enemy directed or planned program. Even in Hawaii immediately following Pearl Harbor, there was no incident among the large Japanese population there which was attributable to any planned program. Others feel that our initial success in isolating known dangerous individuals is responsible. The reasons, however, for purposes of this study, are unimportant. The fact which is significant, in terms of what administrative measure can or should now be taken, is that it is now recognized that we do have security at this time. In the sense that we could

not be sure we had it at the time of the early development of the many security programs, the present situation represents a changed condition.

This changed condition has resulted in both of the armed services taking steps to curtail personnel and to think in terms of a lessened interest. This change, which at present may be described as a trend rather than an accomplished fact, has been occasioned less by a full acceptance of a limited mission in terms of other available existing facilities than in terms of a cut back of scope because of our improved security position. It does, however, make the solution to the problem of more adequate integration more feasible now than would have been the case previously.

In the discussion under "Development of FBI-MIS-ONI Coordination," it was concluded that the solution to the administrative problems inherent in the present situation lay in either the acceptance of a limited "interest" and responsibility, or the creation of new administrative devices for coordination in order that an agency can retain full interest and responsibility and yet discharge that responsibility through the operations of some other agency.

The absence of some such coordinating mechanism means, therefore, that the trend to cut back present programs is an actual withdrawal from interest by the armed forces and a shifting of responsibility, principally to the FBI. Since the armed forces cannot shift their responsibility except by formal agreement, curtailment of operations is now possible only because security has been achieved.

This emphasis on curtailment as a step which can be taken does not imply that the subject of security, or the efforts to effect inter-agency coordination, no longer require concentrated attention and may be put aside until a year or so prior to the development of any future war hostility. Nor does it imply the inadvisability of beginning now to take steps moving in the direction of more adequate coordination or consolidation. The question of coordination or consolidation cannot be so readily dismissed. The present administrative devices to secure coordination are not sufficient to deal with any renewed or expanded interest or responsibility on the part of the armed forces; nor do they provide any mechanism for coordinating the interest of other agencies either of an intelligence or action nature. Unless more

adequate machinery of coordination is planned for and developed now, any subsequent emergency will inevitably force the armed services and perhaps other agencies to renew or expand operations. Consequently, it is believed that conclusions developed in the course of the study concerning the long range possibilities for the development of an integrated government-wide program may be of great value as a permanent factor in our total national security and particularly as we approach the end of hostilities and enter into a subsequent unsettled period.

CONCLUSIONS AND RECOMMENDATIONS

This section of the report discusses the need for security planning and the weaknesses of several possible devices for accomplishing it and describes the nature of a proposed authoritative mechanism as a solution to the problem.

The Need for Security Planning

It is a truism to remark that with respect to measures that could have been taken by the nation as a whole to safeguard it from the actual or potential activities of espionage and sabotage agents and of disloyal, disaffected, or subversive groups or individuals, the last peace-time period was marked by a complacency which might easily have been dangerous. The quick and effective means and techniques which have been developed to subvert unity of purpose; the decreasing protection which geographic "isolation" offers; the concept of total war with the growing importance of the "home front" as a factor in the defense of the country; and our unique position as a nation of numerous groups with recent ties of loyalty or interest in the affairs of other nations, all are responsible for what undoubtedly will be a greater continuous concern with security than has previously been the case. Further, these same factors are responsible for a growing conviction that our internal security and the measures taken to safeguard it can no longer be viewed apart from the external influences affecting it, whether these influences amount to simply the allure of an ideology incompatible with our security or to the actual planned activity of unfriendly groups or powers.

An expanded continuous interest in taking steps to combat these influences does not necessarily imply a need for the development of stringent legislative controls nor the sanctioning of undemocratic procedures. It does, however, point to the need for providing machinery for the planning in specific detail in order to insure the most effective result with the minimum of cost, confusion, and effort.

The Nature of the Planning Necessary

Such planning must take into account the lessons which have been pointed out in the previous discussions of the development of the security programs of the government. These are summarized and discussed briefly below in order to indicate the nature of the planning necessary, the minimum

essential requirements of the plans which ought to be developed, and the nature of the mechanism through which such plans can be developed and implemented.

Inclusion of all agencies. One of the principal weaknesses of the development of the total security program has been the omission from what planning was accomplished of the many agencies through which security actually is, or could be, effected. Long range planning must, therefore, take into account the necessity to provide for a delimitation of the "action" programs as well as the investigative and intelligence programs on which the action programs rely. It must thus include a considerable number of agencies eventually. Even initially the active participation of State, Justice, War, Navy and Treasury would be essential.

Impracticability of a Coordinator or "Czar". Presumably the appointment of a Coordinator charged with full responsibility and vested with sufficient authority would make possible the development of a total program which would alleviate the difficulties of the present situation. It is concluded, however, that such a Coordinator would meet with almost insurmountable problems which would require his constant upholding through Presidential backing -- a procedure which would either require a disproportionate amount of the Chief Executive's time or nullify the effectiveness of the Coordinator.

Further it is the conclusion of this study that the development of a long range integrated security program will not be achieved by mandate but must spring from the earnest desire of all the agencies involved to straighten out some of the present confusion of authority and responsibility.

Inadequacy of Committee Device. It has been shown that the committee is essentially a device to secure cooperation, and is not adequate to serve as the means of initiating plans except on such relatively minor matters as the agencies represented already subscribe to. Such agreements as have been attempted on the basis of mutual consent alone, without an authoritative commitment on the part of the Departments, have proven to be inadequate. There have been a number of instances in which a plan acceptable to several agencies was nullified by the failure of one agency to concur. Even if common agreement were possible the procedure for securing such agreement on any major or controversial issue is cumbersome to the point of discouraging an agency from attempting to secure the concurrence of all concerned.

The Nature of Formal Machinery for Planning

Any group organized to develop a government-wide plan, must be charged with a definite responsibility. The Departments suggested above as the initial and authoritative nucleus for the planning group collectively already have this responsibility. No additional mandate from higher authority is necessary, nor is it desirable. A charter defining precisely the responsibilities and scope of field of interest of the group, therefore, can be drawn up and approved by the Departments involved. This charter would then constitute a delegation of the collective responsibilities.

Coincident with the responsibility must be a delegation of sufficient authority to conclude agreements which will commit the subscribing or "member" agencies without the necessity of clearing back through the hierarchies of the respective Departments. The charter defining and delegating a precise responsibility should also define and delegate specific authority.

Representation from the Departments must be of sufficiently high level to make possible such delegations. Further, in order to secure proper perspective and balance in planning security needs in relation to other needs, representation should be from among officials not now solely engaged in security operations. It is, therefore, proposed that the Assistant Secretaries of State, War, Navy, and Treasury and the Assistant Attorney General constitute the group.

The factors, already discussed in the introduction which indicate the State Department's position as the locus of coordination, dictate the selection of the State Department member of the planning group as Chairman.

The group charged with developing plans for a coordinated program thus becomes a formal mechanism with authority and responsibility. It can then later become the authoritative body to implement its plans through the operations of its "member" agencies.

Organizing for Planning. The group described above would thus become the authoritative body to receive the collective responsibilities and authorities of the member Departments within carefully defined limits and could thus be actually charged with responsibility for developing detailed operating plans for inter-departmental security coordination which will be directive on the member Departments. It is not

envisioned that the individuals named would actually concern themselves with the detailed work involved in developing specific plans. Sub-groups of representatives from the agencies concerned with each carefully defined type or locus of operation should be charged by the top group with developing the detailed operating plans. These sub-groups would be affirmatively responsible to the top group through the delegation of authority which the top group received in its charter.

Mention has been made of the necessity of developing plans for both the intelligence and investigative phase of the security program and the action phase. A primary sub-group of representatives from ONI, MIS, FBI, and State Department should be charged with developing, for the top group, a plan to coordinate and delimit the operating responsibilities in the counter or security intelligence field. As the work of this group expanded to include other agencies, their participation on a formal basis should be arranged. For example, in developing a coordinated plan for the collection of certain kinds of counter or security intelligence, the role of such agencies as the SEC, the Alien Property Custodian, Foreign Funds Control, and others should be planned with the participation of those agencies and an operating plan drawn up. Later, as plans are considered for the coordination of the preventive or loyalty type of investigation or for the establishment of the file facilities of the total program, this same primary group would be expanded to include, through a formal arrangement, representatives of other agencies concerned, such as Civil Service Commission, the various agencies under the Coordinator of Investigations of the Treasury Department, the Provost Marshal General, Coast Guard, and others.

Similarly primary sub-groups should be organized to consider other of the various phases of security action such as: emergency plans for dealing with natural catastrophes, riot, insurrection, etc., which would include as a primary group the Provost Marshal General, the Security Division of CNO (Navy), and the FBI as liaison with local and state police; travel, border, and immigration control, which would include as a primary group representatives of Customs, Immigration, Coast Guard, Visa and Passport Divisions of State Department, and ONI, FBI, MIS.

The Need for Formal Machinery to Implement Plans.

It has been shown that both in the area of intelligence and investigation and in the field of action, there are numerous instances in which agencies have inescapable responsibilities which overlap or duplicate responsibilities assumed by, or inherent with, other agencies. It has also been shown that, in such a situation, unless one or more of the agencies involved feels free to accept a limited responsibility, delimitation of operations is not a successful device to insure integration or coordination. In the absence of formal authoritative machinery in which the agencies concerned have responsible parts, little incentive has existed for one agency to request another to do its work for it nor has there been any incentive for the agency as requested to accede. Further, the conduct of the operation frequently would necessitate the use of certain authorities which the requesting agency may find it difficult to "delegate", without the opportunity, through an authoritative body, of seeing that the operation is conducted in such way as to cover all its interest of responsibility.

In the same way, therefore, that the group to be organized for planning must be formalized by a delegation of responsibility and authority, there is a need for it to continue on a formal basis to implement the plans. Thus an authoritative body constituting an Inter-departmental Security Coordination in which each agency has a responsible part would be provided to insure that the operations delegated are conducted in such fashion as to safeguard the interests of all member agencies. The continued existence of such a body would enable the planning groups to take into account the lesson, derived from a study of the present security programs, that an agency with responsibility or interest does not necessarily have to conduct all operations conceivable contributing to the discharging of that responsibility.

Delegation of Operating Responsibility and Authority

The Inter-departmental Security Coordination, in receiving a delegation "up" from the respective member Departments, would provide a pooling of the legislated and other authorities now vested in the many agencies. This would enable it to redelegate the combined authorities of its member agencies "down" to its operatives who would at one and the same time be employees of the Customs Service, FBI or other agency and "deputies" of the Inter-departmental Security

Coordination. Responsibility for protecting the interest of all agencies would thus be lodged in the Inter-departmental Security Coordination, which, by the delegation referred to, would have the means to direct the member agencies to cover all interests and at the same time to grant the combined authority to do so. With the assurance of an authoritative body to implement agreed upon plans, the actions taken to safeguard security (either as required normally in peacetime or under emergency or wartime conditions) can be "delimited" and coordinated under operating plans in which operating responsibility can be complete and clear in every area.

October 23, 1944

Draft of Interdepartmental Agreement on Security

This agreement has been entered into in order that the present or planned operations and facilities, either at home or abroad, of a security or counterintelligence nature of each of the subscribing Departments may be coordinated, into one integrated program. The agreement anticipates and provides for the preparation of agreed upon detailed operating plans so that, in each defined area or locus of operation, the collective responsibilities of the subscribing Departments will be discharged through a single operation conducted by one of the subscribing Departments in the interest of all.

The programs of a security nature with which the agreement is concerned include all defensive or control measures taken to counter the activities of dangerous or hostile individuals, movements, groups or organizations which are potentially or actually inimical to our national stability or defense. Such harmful activities include espionage, sabotage, sedition, disaffection and subversion. The scope of the agreement does not include programs of military security as implemented by the use of organized armed forces nor of political security as implemented through treaties pacts or other diplomatic action.

The programs of a counterintelligence nature with which the agreement is concerned include all collection, evaluation, and dissemination of intelligence to unmask potentially or actually

dangerous persons as defined above and to determine their plans and the means for carrying them out. The scope of the agreement does not include the collection, evaluation and dissemination of other kinds of information or intelligence such as political, general, economic, military, etc.

In order to provide an authoritative and effective means for achieving the stated purpose, there is hereby created the Interdepartmental Security Coordination.

The subscribing Departments hereby designate the Assistant Secretary of State as Chairman and the respective Assistant Secretaries (and The Assistant to the Attorney General) as members of the Interdepartmental Security Coordination and charge him and them individually and collectively with concluding plans for the accomplishment of the purposes of this agreement.

All sub-divisions of the subscribing Departments conducting operations or maintaining facilities useful to operations in the subject field are hereby designated as member agencies of the Interdepartmental Security Coordination and are charged with adjusting their operations and facilities to conform to the directives of the Interdepartmental Security Coordination.

The Departments party to this agreement, without divesting themselves of any ultimate responsibilities with which they each may be charged by legislation, custom or otherwise, agree that within the stated field of interest, the actions and decisions of the Interdepartmental Security Coordination will be final and the directives

and operating plans will be binding on the subscribing Departments. It is further agreed that the directives and operating plans of the Interdepartmental Security Coordination may cause the operations and facilities, or any authority necessary to the full discharge of the operation, of any of the member agencies to be transferred to any other member agency, whenever this is deemed desirable in the interests of an integrated program serving the collective interests of all.

When directed by the Interdepartmental Security Coordination, each of the member agencies of interest will designate a responsible and continuing representative to a sub group of the Interdepartmental Security Coordination which will

- (1) Study the designated area or locus of operation.
- (2) Prepare a statement of guiding principles to serve as a basis for allocating operations among the member agencies in accordance with the stated objectives of the agreement.
- (3) After approval by the Interdepartmental Security Coordination of the above statement of guiding principles, prepare a detailed operating plan for approval of the Interdepartmental Security Coordination including all directives or other material necessary to implement the plan.

- (4) Serve as the continuing body for discussion, study, and recommendation to the Interdepartmental Security Coordination with respect to the designated area or locus of operation.

The representative from the member agency of primary operating interest, as determined by the Interdepartmental Security Coordination, will be designated as Chairman of the sub group. In addition to general responsibility for the activities of the sub group he will have responsibility for appearing before the Interdepartmental Security Coordination and presenting for its approval proposed plans or other matters within the field of interest of his sub-group.

The sub-groups may suggest the participation of other interested agencies of the government in the development of operating plans. The Interdepartmental Security Coordination will secure their participation formally. Representation of other government agencies in the sub groups will follow only on acceptance by the agency concerned of the general objectives and terms of this agreement.

The following areas or locii of operations are recognized as requiring immediate attention. The Interdepartmental Security Coordination will appoint sub groups to carry out the objectives of the agreement in these subject fields and will expand this list as found necessary.

- (1) Collection, through investigation and other means, of counter or security intelligence at home or abroad, including such questions as the need for legal or security attaches, liaison with foreign surete organizations, the necessity for and locus of secret intelligence in the subject field, and the manner in which all information secured by any of the member agencies can be brought into one agency for evaluation and filing.
- (2) Evaluation and dissemination of security information including such questions as the requirements for dissemination of such intelligence in study or summary forms, and the maintenance of a detailed file or files for the use of all member agencies.
- (3) Investigations of suspicious individuals or incidents, including such questions as the maintenance of joint crime detection and training facilities.
- (4) Preventive Character investigations where no suspicion attaches.
- (5) Exclusion and restriction of movement including border, harbor, inshore and off shore patrol, small craft and other identification systems and travel control.
- (6) Restriction of access including such questions as rules for safeguarding information and restricted areas or facilities.

- (7) Study and control of alien properties, funds, corporate structures, cartels, or other financial resources for supporting activities within the scope of this agreement.
- (8) Study and control of communication resources for supporting activities within the scope of this agreement including such questions as censorship.
- (9) Emergency plans for dealing with riots, disorders, natural catastrophes, martial law.

TAB A

APPENDIX

~~CONFIDENTIAL~~

Hyde Park, N.Y.
June 26, 1939.

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~~CONFIDENTIAL~~

MEMORANDUM FOR - THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF WAR
THE ATTORNEY GENERAL
THE POSTMASTER GENERAL
THE SECRETARY OF THE NAVY
THE SECRETARY OF COMMERCE

It is my desire that the investigation of all espionage, counter-espionage, and sabotage matters be controlled and handled by the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department. The directors of these three agencies are to function as a committee to coordinate their activities.

No investigations should be conducted by any investigative agency of the Government into matters involving actually or potentially any espionage, counter-espionage, or sabotage, except by the three agencies mentioned above.

I shall be glad if you will instruct the heads of all other investigative agencies than the three named, to refer immediately to the nearest office of the Federal Bureau of Investigation any data, information, or material that may come to their notice bearing directly or indirectly on espionage, counter-espionage, or sabotage.

/s/ Franklin D. Roosevelt

TAB B

~~CONFIDENTIAL~~

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June 5, 1940

~~Confidential~~

MEMORANDUM

In accord with the Presidential directive of June 26, 1939, we the undersigned affix our signatures hereto in consummation of this agreement of the definition of the jurisdiction to be exercised by the agencies concerned in the investigation of matters of interest to the national defense.

It is the consensus of opinion that the provisions of paragraph III do not establish an adequate coverage of cases in this category in the foreign field and accordingly we are taking appropriate steps to make a further study of this matter.

/s/ Sherman Miles

Brigadier General Sherman Miles
Assistant Chief of Staff
G-2, War Department

/s/ Walter S. Anderson

Rear Admiral Walter S. Anderson
Director, Naval Intelligence
Navy Department

/s/ J. Edgar Hoover

John Edgar Hoover, Director
Federal Bureau of Investigation
U. S. Department of Justice

June 5, 1940

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Y~~Confidential~~

PROPOSAL FOR COORDINATION OF FBI,
ONI and MID

I. It is agreed that in conformity with the directive contained in the President's memorandum of June 26, 1939, as augmented by his directive of September 6, 1939, responsibility for investigation of all espionage, counterespionage, sabotage and subversive activities will be delimited as indicated hereafter. Responsibility assumed by one organization in a given field carries with it the obligation to provide a pool of all information received in that field but it does not imply the responsible agency alone is interested in or will work alone in that field. Close cooperation between the three agencies in all fields is a mutually recognized necessity.

II. FBI will assume responsibility for all investigations of cases in these categories involving civilians in the United States and in its territories with the exception of the Panama Canal Zone, Guam, Samoa and the Philippine Islands.

FBI will keep MID and ONI informed of important developments such as -

- (a) Developments affecting plants engaged on Army or Navy contracts.
- (b) Developments affecting vital utilities.
- (c) Developments affecting critical points of transportation or communication systems.
- (d) Cases of actual or strongly presumptive espionage or sabotage, including the names of individuals definitely known to be connected with subversive activities.

FBI will act as the coordinating head of all civilian organizations furnishing information relating to subversive movements.

III. FBI will assume responsibility for investigation of all cases in these categories directed from foreign countries on those occasions and in those situations in which the State, War or Navy Departments

specifically request investigation of a designated group or set of circumstances.

FBI to keep MID and ONI informed of important developments.

IV. MID will assume responsibility for investigation and disposal of all cases in these categories in the Military Establishment, including civilians employed on military reservations or under military control. It will also assume responsibility for the investigation of cases in these categories involving civilians in the Canal Zone, the Republic of Panama and the Philippine Islands.

MID will inform FBI and ONI of important developments.

V. ONI will assume responsibility for investigation and disposal of all cases in these categories in the Naval Establishment, including civilians under naval employ or control and all civilians in Guam and American Samoa.

ONI to inform FBI and MID of important developments.

VI. FBI will assume responsibility for ascertaining the location, leadership, strength and organization of all civilian groups designed to combat "Fifth Column" activities (overt acts of all sorts in cooperation with the armed forces of an enemy). FBI will transmit to MID, ONI and the State Department information concerning these organizations and any information received concerning their possession of arms.

June 28, 1940

February 9, 1942

SUBJECT: Delimitation of Investigative Duties of
the Federal Bureau of Investigation, the
Office of Naval Intelligence and the
Military Intelligence Division
The Agreement for Coordination of the
Federal Bureau of Investigation, Office
of Naval Intelligence and the Military
Intelligence Division

I. The undersigned have reviewed the directive contained in the President's Memorandum of June 26, 1939, as augmented by his directive of September 6, 1939, the Delimitation Agreement of June 5, 1940, and the supplemental interpretation and agreements thereunder. It is now agreed that responsibility for investigation of all activities coming under the categories of espionage, counter-espionage, subversion and sabotage, (hereinafter referred to as "these categories") will be delimited as indicated hereafter. The responsibility assumed by one organization in a given field carries with it the obligation to provide a pool of all information received in that field but it does not imply the reporting agency alone is interested in or will work alone in that field. Close cooperation between the three agencies in all fields is a mutually recognized necessity.

II. FBI will be responsible for:

1. All investigation of cases in the categories involving civilians in the United States and its territories with the exception of the Republic of Panama, the Panama Canal Zone,

Guam, American Samoa, Palmyra, Johnston, Wake and Midway Islands, the Philippine Islands and the Territory of Alaska other than that specifically described in Paragraph III.

2. Investigation of all cases directed from foreign countries on those occasions and in those situations in which the State, War or Navy Departments specifically request investigations of designated group or set of circumstances.
3. The coordination of civilian organizations furnishing information regarding subversive movements.
4. Jointly with ONI, the coverage of Japanese activities in these categories. ONI will continue its coverage of Japanese activities as heretofore and FBI will continue to expand its operations in this field.
5. Keep MID and ONI advised of important developments, such as:
 - (a) Developments affecting plants engaged on Army or Navy contracts.
 - (b) Cases of actual and strongly presumptive espionage and sabotage, including the names of individuals definitely known to be connected with subversive activities.
 - (c) Developments affecting vital utilities.

- (d) Developments affecting critical points
of transportation and communication systems.
(for c and d above, no protective coverage
is contemplated)

6. Ascertaining the location, leadership, strength and organization of all civilian groups designated to combat Fifth Column Activities (overt acts of all sorts in groups of armed forces of enemies); and transmitting to MID, ONI and State Department information concerning their possession of arms.
7. Keeping ONI and MID informed of any other important developments.

III

MID will be responsible for:

1. Investigation and disposal of all cases in these categories in the military establishment including civilians employed on military reservations or under military control.
2. The investigation of cases in these categories involving civilians in the Canal Zone, the Republic of Panama, the Philippine Islands and the Alaskan Peninsula and islands adjacent including Kodiak Island, The Aleutian and Pribilof Islands and that part of the Alaskan Peninsula which is separated by a line drawn from Iliamna Bay northwest to the town of old Iliamna and thence following the south shore of Lake Iliamna to the Kuichak River to Kuichak Bay.
3. Informing FBI and ONI of any other important developments.

IV. ONI will be responsible for:

1. Investigation and disposal of all cases in these categories in the Naval establishment, including civilians in Guam, American Samoa, Palmyra, Johnston, Wake, and Midway Islands.
2. Jointly with FBI, the coverage of Japanese activities in the categories enumerated in Paragraph I.

ONI will continue its coverage of Japanese activities as heretofore, and FBI will continue to expand its operations in this field.

3. Informing FBI and MID of any important developments.

V. The ultimate test of cooperation and coordination of the Intelligence agencies is the manner in which they function under conditions of national emergency or actual warfare. There should be no doubt as to the identity of the agency or official who is primarily responsible for carrying on intelligence operations under the broad conditions for which the governing principles are listed hereinafter.

PERIOD OF MARTIAL LAW

VI. It is further agreed that when a state of martial law has been declared by the President, the Military Commander assumes responsibility for Intelligence coverage. He has authority to coordinate intelligence activities of the participating agencies, within the

limits of their available personnel and facilities by the assignment of missions, the designation of objectives, and the exercise of such coordinating control as he deems necessary. He is not authorized to control the administration or discipline of the subscribing agencies to which he does not belong, nor to issue instructions to such agencies beyond those necessary for the purposes stated above.

VII. Personnel of the subscribing agencies will still send reports to and be under the continued supervision of their respective headquarters. The subscribing agencies will render such aid and assistance to the Military Commander and his designated representatives as are possible and practicable. All pertinent information, data, and other material that are or may be necessary or desirable to him shall be furnished by the most expeditious means and methods possible consistent with requisite security. The headquarters of the subscribing agencies will promptly be advised of all information and data appropriately identified as having been furnished to the Military Commander.

VIII. It is assumed that the Military Commander will not hesitate to call upon any governmental agency outside the three subscribing agencies to this agreement for any assistance, cooperation, or activity.

PERIODS OF PREDOMINANT MILITARY
INTEREST, NOT INVOLVING MARTIAL
LAW.

IX. In time of war certain areas will come into prominence as potential theatres of operation. When a Military Commander of such a potential theatre is designated, he definitely has interest in, though not control of, the civilian life within the area. In order that the Military Commander may prepare himself for the discharge of the possible responsibility which may affix to him, the following procedure is agreed upon;

1. Agents of the FBI, of ONI, and of MID will continue to function in accordance with the provisions of paragraphs II, III, and IV.
2. In addition thereto the Military Commander may take steps to analyze the facilities existing and to explore the manner in which complete coverage will be obtained if martial law is declared. Adequate liaison with the other two intelligence services will insure that the Military Commander will have the benefit of the experience, judgment and knowledge of the representatives of the other services.
3. The Military Commander is authorized to request and receive such information from the three agencies as he may desire and they may be able to furnish.

X. The analysis and exploration referred to above will show the coverage furnished by each of the subscribing agencies and any additional coverage each subscribing agency can undertake. When the Commander feels that more complete coverage is required, it is recognized that his service is authorized to augment the coverage. Prior to any invasion of the spheres normally coming under the cognizance of the other subscribing agency, the Military Commander should obtain the necessary authority from the War Department. -

XI. Irrespective of the fact that the preceding recommendations have placed the initiative in the hands of the Military Commander, whenever either of the other two services feel that such a survey to determine adequacy of coverage should be undertaken, it should be so recommended through the director of each service.

XII. The above provisions contemplate that the War Department will be the agency administering martial law. When appropriate, the same principles will govern the Navy Department.

PERIODS OF NORMAL CONDITIONS

XIII. Under these conditions, the Federal Bureau of Investigation, the Office of Naval Intelligence and the Military Intelligence Division will operate in accord with the provisions of paragraphs II, III and IV.

IV.

XIV. From time to time it may be desirable in the light of

changing conditions to modify or amend this delimitation agreement. Such amendments or modifications when agreed upon by the heads of the subscribing agencies shall be issued in the form of a revised delimitation agreement and not as separate instructions.

/s/ Raymond E. Lee
Assistant Chief of Staff
G-2, War Department

/s/ T. S. Wilkinson
Director, Office of Naval
Intelligence

/s/ J. Edgar Hoover
Director, Federal Bureau
of Investigation

FEB 18 1942

AN AGREEMENT AS TO THE DEFINITION OF
JURISDICTION IN GOVERNMENT OWNED,
PRIVATELY OPERATED PLANTS MANUFACTUR-
ING FOR THE WAR AND NAVY DEPARTMENTS

The jurisdiction hereinafter discussed relates only to those matters coming within the terms of the Delimitation of Jurisdiction Agreement dated February 9, 1942, in effect between the Military Intelligence Division of the War Department, the Office of Naval Intelligence of the Navy Department, and the Federal Bureau of Investigation of the Department of Justice, namely, all activities coming under the categories of espionage, counterespionage, subversion and sabotage.

The purpose of this agreement is to clarify and interpret the provisions of the Delimitation of Jurisdiction Agreement above mentioned, and is subject to the provisions of any new Delimitation of Jurisdiction Agreement which may hereafter be entered into between the three agencies.

It is further understood that the term "shadow plant" as hereinafter used applies only to plants constructed with Government funds which are operated by private corporations on behalf of the War or Navy Department and which are producing implements of war exclusively and are assigned to the War and Navy Department.

Jurisdiction over matters coming within the above categories, namely, espionage, counterespionage, subversion and

sabotage within "shadow plants", shall remain in the Federal Bureau of Investigation unless and until notification is received by the Federal Bureau of Investigation that the plant is a "shadow plant" and that it is the desire of the Military Intelligence Division or the Office of Naval Intelligence to assume jurisdiction depending upon whether the plant is assigned to the War or Navy Department.

It is understood that jurisdiction shall not be transferred when the shadow plant is an addition to, a part of, or within the same enclosure as, the plant already under the jurisdiction of the Federal Bureau of Investigation. However, when jurisdiction in a shadow plant is assumed by the Military Intelligence Division or the Office of Naval Intelligence, it shall include the entire plant regardless of the fact that some areas have not been formally accepted by the War or Navy Department. In all cases the jurisdiction assumed by one agency shall extend to the entire plant.

It is understood and agreed, however, that this notification shall be given as early as possible, preferably prior to the commencement of construction of the shadow plant. It is further understood and agreed that this notification shall be made at the headquarters at Washington, D. C., and jurisdiction shall not be affected by discussions entered into between field representatives of the three agencies.

Employees of shadow plants shall retain their full capacity as civilians, and shall be considered employees of the private corporation operating the plant. The activities of these employees outside of the plant shall therefore be under the jurisdiction of the Federal Bureau of Investigation. This does not include officers, enlisted men or civilian employees of the Army or Navy who may be assigned thereto.

/s/ Geo. V. Strong
Assistant Chief of Staff, G-2,
War Department

/s/ H. C. Train
Director, Office of Naval Intelligence

/s/ J. Edgar Hoover
Director, Federal Bureau of Investi-
gation

TAB C

~~CONFIDENTIAL~~

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QM/P13-1/16(38)

Confidential

From: District Intelligence Officer, Twelfth Naval District.
To: The Director of Naval Intelligence.

SUBJECT: Investigative Jurisdiction of Merchant Marine Personnel.

Reference: (a) VCNO ltr, Serial 9033116, dated April 8, 1942, Re: District Intelligence Personnel, Employment of.
(b) DNI conf. ltr. Serial 9026516, to DIO, 3ND, dated April 10, 1942; Subject, Investigation of Suspicious Crew Members of Merchant Vessels.
(c) SecNav ltr. (SC) A8-5/QM, Ser. No. 01152816, dated May 8, 1942; Subject, Personnel Security - Transfer to Army of Responsibility for.
(d) DIO, 12ND, letter to DNI, QM/P13-1/16(28); Subject, Investigative Jurisdiction of Personnel in Private Shipyards Handling Navy Contracts, dated June 5, 1942.

Enclosure: (A) Copy of FBI Bulletin No. 23. First Series 1942, dated March 19, 1942.
(B) Copy of FBI Bulletin No. 25, First Series 1942, dated April 1, 1942.
(C) Copy of FBI Wash. conf. Bulletin No. 33, First Series 1942, to all Spec. Agts. in Chg., dated May 20, 1942, Re: Investigation of National Defense Plant Employees.

1. In a conference with local representatives of the Federal Bureau of Investigation and G-2 on May 25, 1942, Mr. N. J. L. PIEPER, Special Agent in Charge, Federal Bureau of Investigation, San Francisco, took the position that Naval Intelligence should make loyalty investigations of merchant marine personnel to determine whether or not the employment of certain seamen should be disapproved; and also that the Federal Bureau of Investigation should make no investigations of personnel in private shipyards handling Navy contracts until such time as an investigation by Naval Intelligence indicates that an employee is definitely a suspect or until such time as an overt act has been committed. This position seems to be in conflict with recent directives of the Navy Department as referred to herein.

2. Enclosure (A) is a Federal Bureau of Investigation bulletin advising the various FBI field offices that the Director of the Federal Bureau of Investigation has recently learned of the Navy Department's confidential memorandum of January 22, 1942, wherein are set forth the various steps to be taken by the War and Navy Departments in cooperating with union leaders in removing suspected employees from

August 12, 1942

MEMORANDUM FOR CAPTAIN WALLER

There is a distinction between:

- (a) Responsibility for the security or safety of a vessel from the standpoint of a police function.
- (b) Investigative jurisdiction in cases involving espionage, sabotage, and subversion.

This distinction may be the reason for misunderstandings.

- I V. CNO letter of April 29, 1942, vested the Coast Guard with (a) for

"Naval vessels out of commission located outside of Navy Yards or areas under complete Naval control; vessels under construction at commercial shipyards subsequent to their launching; and vessels in process of conversion at commercial repair yards."

It did not extend to vessels in commission or in service, or to vessels located under complete Naval control.

It did not limit or modify the duty and responsibility of FBI with respect to the investigation of alleged acts of sabotage, espionage or subversive activities.

- II DNI letter of June 17, 1942, to Mr. Hoover expressed the views of ONI as to (b) thus:

"The Navy Department assumes responsibility over a merchant vessel when the District Commandant takes physical possession and signs receipt."

Thus ONI has investigative responsibility for merchant vessels acquired by (1) requisition and purchase; (2) bare boat charters; (3) vessels being converted to Naval use.

Cases of seizure of foreign vessels for security purposes constitute merely a police function performed by the Coast Guard or Navy and (b) remains vested in FBI.

For vessels under time charter, (b) is vested in FBI.

For vessels being converted under Navy contract, (b) is vested in FBI while title remains with private owners or other Government agencies, and transfers to ONI after receipt for by the District Commandant.

III V. CNO letter of August 1, 1942 cancelled I and vested (a) in Naval District Commandant.

The question raised in FBI letter of August 8, 1942 as to (b) jurisdiction in "a case of sabotage on a merchant ship in a commercial drydock being fitted out with guns under a Navy contract and under Navy supervision, and where an act of sabotage occurs either to guns or pertinent equipment on a merchant vessel fitted out with guns and furnished a Navy gun crew" appears to fall within the opinion expressed in II and depends solely on whether or not the vessel has been receipted for by the District Commandant.

H. E. Keisker

References:

A6-6/Qn - V.CNO - SO-51541 - 4/29/42
Op-16-B-5 - A8-6/Qs1 - (SC)L9-3/QS1 - Conf. Ser. 01402116, 6/17/42
A6-8/QN - V.CNO - SO-8011000 - Ser. 461330 - 8/1/42
P13-5/QS1- FBI - 8/8/42

plants. Enclosure (A) goes further and states that no employee will be dismissed from his employment on hearsay and that a reasonable investigation will be conducted to substantiate the allegations.

3. By Enclosure (B) the Director, Federal Bureau of Investigation, advises his field offices that Office of Naval Intelligence has agreed that the Navy Department will conduct loyalty investigations to determine whether or not the employment of certain seamen should be disapproved. Further, that in the event a seaman is beached, the investigation necessary to substantiate or disprove the charges shall be conducted by Office of Naval Intelligence.

4. In Enclosure (C) the Director, Federal Bureau of Investigation, advises his field offices that just as Office of Naval Intelligence has agreed to conduct loyalty and fitness investigations of merchant marine personnel so the Army and Navy have now agreed to investigate the loyalty and fitness of individuals employed in plants handling Navy Contracts.

5. At variance with the foregoing, it will be noted that in Reference (a) the Vice Chief of Naval Operations has advised that under date of March 30, 1942, the Secretary of the Navy made the decision to transfer the internal security of industrial plants to the War Department.

6. Furthermore, in Reference (c) the Secretary of the Navy has advised "that the Army has assumed responsibility for the handling of aliens, the control of subversives, and any other procedures for the advancement of personnel security in all commercial plants engaged in Army or Navy contracts or subcontracts, including those plants which have been or may be retained by the Navy Department."

7. The statements of the Director of Naval Intelligence in Reference (b) would also seem to be in conflict with instructions contained in the Federal Bureau of Investigation Bulletin to its field offices, with regard to investigation of merchant marine personnel.

8. Inasmuch as the Director of the Federal Bureau of Investigation's interpretation of the Delimitation Agreement appears to be at variance with Navy Department directives, a clarification of the problem would seem necessary. If the interpretation of the Director of the Federal Bureau of Investigation is a correct one, it would seem that steps must immediately be taken to assume investigative responsibility in the two fields involving merchant marine personnel and personnel in private shipyards handling Navy contracts.

9. Reference (d) is a letter identical with this letter, but dealing with the subject of investigative jurisdiction of personnel in private shipyards handling Navy contracts, which is also being forwarded to the Director of Naval Intelligence this date.