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EXHIBIT

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at San Francisco, Triday Jan. 9th. 1942

Bince Gen'l Defitt had telephoned twice while I was in L.i., inquiring as to when I would report to him, I decided to leave L.i. on the morning of the 9th, accompanied by Commissioner Makefield and Mr. Greaves. We reported to Gen'l Defitt at one p.m. The General was surrounded by his staff officers as follows:

Col. Forney, G-2 in charge of counter-espionage

Col. Strob, Chief of G-2

Lt.Col. Emith, Asst. Chief Signal Officer

Col. Grace, Calef Signal Officer

Col. Martin, Public Relations Officer, Intelligence

Mr. Piefer, agent in charge of F.B.I. field office, S.F.

The General greeted us very cordially and expressed his appreciation of the assistance given by Mr. Greaves and Mr. Sloan on matters pertaining to radio communications. He, too, like Gen'l Ryan, emphasized that this was a Theatre of Operations of a Combat Area and prompt as well as strict measures were necessary to meet situations as they developed.

The General launched into quite a discourse on the Japanese and other foreign language programs, radio transmitters operated by enemy agents in California sending messages to ships at sea, and a general discussion of the enemy aliens and all Japanese in that area followed. Upon conclusion of his opening remerks, I requested permission to explain our field Division operations which he readily granted after a brief discussion of the foreign language situation which Commissioner Makefield, I believe, has already made known to

Since Gen'l Dekitt seemed concerned and, in fact, seemed to believe that the woods were full of Japs with transmitters, I proceeded to tell him and his staff the organization of the N.D.O. Section, its inception, objective, jurisdiction and distribution of stations, equipment employed, personnel and training of personnel and the general modus operated. I explained how we determined the general area in which an unauthorized station was operating and how we closed in on it with mobile units and other specialized equipment, including the all-frequency response receiver. I know it virtually astumded the General's staff officers. They had no comprehension whatsoever as to the

difficulties one encounters in radio direction finding and why different equipment is necessary for ground wave as compared to skip wave and why it was particularly necessary to train personnel, not only in use of equipment but radio wave propagation and polarization.

Prankly, I never have seen an organization that was so hopeless to cope with radio intalligence requirements. As an example they (the Signal Corps) has only two radio direction finding companies in the Combat Zone. The equipment is that heavy truck type that I saw at Pt. Monmouth and designed for use in an actual battle zone. The personnel is unskilled and untrained. Most are privates who can read only ten words a minute. They know nothing about signal identification, wave propagation and other technical subjects, so essential to radio intelligence procedure. They take bearings with loop equipment on Japanese stations in Tokio listed in the Berne list as such and employing their authorized call letters and report. to their commanding officers that they have fixes on Jap agents operating transmitters on the West Coast. These officers, knowing no different, pass it on to the General and he takes their word for it. It's pathetic to say the least. is an example of what they have done, a few nights ago a group of soldiers from G-2 with guns and steel helmets started going from house to house demanding everyone to cut their receiving antennas down to 10 feet in length. Furthermore, Army reports Navy stations as being Japs and vice versa. In between this chaos stands Mr. Greaves! office. Whenever a station cannot be identified they call F.C.C. Consequently, it is easy to understand the hundreds of calls: that have been made to the F.C.C. office in S.F. They look to the F.C.C. as an authority on all matters pertaining to radio communications other than their own. As a matter of fact, the Army air stations have been reported by the Signal Corps stations as Jap enemy stations.

Then I had finished many questions were asked which both Mr. Wake-field and myself answered. Then Mr. Piefer, agent in charge of F.B.I. stated that the bearings he requested from Santa ina and Portland, combined with those taken by the Mavy were instrumental in locating a Jap sub off the coast which was destroyed by bombing from the air. Comdr. Wensel, D.C.O., told me Saturday that the statement made by Mr. Piefer was correct.

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The General's staff expressed considerable interest in the N.D.O. organization and particularly what it comprised in men and equipment on the West Cosat. I told them and also exhibited a map showing the distribution of stations on the West Cosat with particular emphasis on the mobile patrol, number of units, their some of operations extending from the Canadian to the Mexican border. I explained the success we have nad in locating over 400 unlicensed radio stations, as well as many stations engaged in espionage activities. I endeavored to show that through our 24-hour comprehensive surveillance of the entire communication spectrum, it would be difficult for a Jap station to operate on the Cosat without coming to our attention. I stated that, while I was looking into the general situation that I couldn't

get excited by their fear that California was full of Jap agents with radio transmitters and that, in fact, I doubted that there was a single one in operation on Land. However, I was careful to point out that I did not want to appear egotistical because, after all, they may know several things that I did not, but from the way unsuthorized stations have developed in the past, I was of the opinion that we would soon be aware of it. Col. Forney, of G-2, stated that with his authority in the Combat Zone he was prepared, with P.B.I., to seize all illegal transmitters that we found operating without going thru the regular process of search and seizure. They seemed to think that all it was necessary to do was to give a man a direction finder and it took him immediately to the transmitter. They stressed the necessity of finding the transmitter quickly, otherwise messages might be transmitted that would lead to sinkings and bombings. I tried to stress that the job was not as simple as they thought and, while time is of the essence, nevertheless, regardless of ano set out to locate an unauthorized transmitter, not to be surprised if it took several hours and possibly days if it were moving about.

Near the end of the conference, each member of the General's staff expressed his opinion that it appeared that the F.C.C. was organized with both personnel and equipment to continue the task of investigating subversive uses of radio in the Combat Zone. Gen'l DeWitt concurred and stated that as long as he could, he would make use of civilian agencies to carry on the auties required in the area he commands. He directed that members of his staff, including the Chief Signal Officer of the area, the F.B.I. representative, meet with me to discuss plans for a central clearance agency on all matters pertaining to bearings and other matters relating to radio intelligence and communications. We immediately went into session discussing ways and means of bringing order out of chaos as far as it relates to the particular problem of locating and identifying radio stations. We continued in session until five p.m. and then adjourned until Saturday so that Comdr. Wensel, D.C.O., could attend.

On Saturday morning I met Commissioner Makefield in Mr. Greaves: office and tied him in with the Chairman on the O.I.C. leased line. The connections weren't completed before I left for Gen'l DeMitt's ndqts. to again meet with the committee. He phoned at the conference and told me the Chairman was fully in accord with the plans for a Radio Intelligence Center and advised me that the Chairman felt that possibly we could secure funds to finance the project since we did not want to too closely ally or merge ourselves with any one agency. Of course, I know that and, in fact, as you have previously expressed it, I had told Cen'l DeBitt that as an independent agency we could be of greater assistance to all agencies than we could if we were merged or controlled by a particular agency. I mention this since Gen'l Ryan had told Mr. Greaves prior to my arrival that we should be militarized. Gen'l DeMitt agreed with me and it was then that he stated he would continue to utilize the services of civilian agencies as long as he could.

At the conference on Saturday the entire assembly of both irmy and Navy representatives stated that the report made to Gen'l DeWitt should carry a recommendation that the Radio Intelligence Center should be under the N.D.O. Section of the F.C.C. with a member of the irmy and Navy always in attendance. Of course, it is not known with any certainty as to whether the Navy Department in Washington will permit participation in the Center by the staff of the D.C.O. of the 12th Maval District. I was requested to draw up a plan of organization and operation which is as follows:

Space will be provided in a room close to the joint military command which is to be established in S.F. In one room we will have a charting table and private wire teletypewriter circuits to our stations in Santa Ana and Portland, Navy Dept., War Dept., and F.B.I. All radio bearings, inquiries regarding call letters interference complaints and other matters concerning radio intelligence will feed into this center and the material classified, digested and the results disseminated to the proper agencies. The War Dept. will pay for all communication services at an approximate cost of \$200,000 per year. The F.C.C. staff will consist of one Supervisor. Grade P-5, \$4600, one M.O., P-3 and 4 1.M.O. and pix radio operators, 4 clark-stanographers and 4 file clarks. This will permit of twenty-four hour service seven days a week.

Lt. Col. Smith is preparing the report of the Committee for submission to Gen'l Degitt. Gen'l Degitt wents me to report to him upon return from Portland and Scattle. (Just arrived Portland few mins. ago. They are just recovering from a severe sleet storm. All wires have been down and power off. Foutunately our emergency power supply had been installed and the station is carrying on fine. The F.B.W.B. geng were without heat and power so Wiltse and Landsburg moved them into the cellar here and operated their TWX from our emergency power supply.)

I hope you will have an opportunity to read all this and I do apologize for the loose language and writing but I have been in continuous operation and want you to have this information before I report again to Gen'l DeWitt. I will call you from S.F. on Mednesday or Thursday. Going to Seattle Tuesday and expect to return to S.F. by Mednesday as stated above.

I cannot refrain from again bringing to your attention the confusion that exists in this entire coast area because of lack of cooperation and knowledge of direction finding on the part of the military forces.

I failed to mention that the operating personnel will all be F.C.C. The Army and Navy representatives are merely to help in identifying their stations and traffic. It will, of course, necessitate detailing experienced

men from other stations to the Center. If it is approved by all concerned, I would like to have McIntosh come to the Coast for a few days to get it off on the right start. Incidentally, I failed to mention that a continuous leased PLT teletypewriter to my office, no that we can also coordinate the activity and aid in coming up with the right answer, will be necessary. I would like to put Sloan on Greaves' staff in charge, transferring him from Routine to N.D.O.

Forry to burden you with so much detail but feel that you should have the whole picturs.

G. E. Sterling