

SECURITIES AND EXCHANGE COMMISSION
Philadelphia

December 2, 1942

~~CONFIDENTIAL~~MEMORANDUM TO: All Regional Administrators
and Division Heads

RE: Board of Economic Warfare Projects

The Commission has undertaken to cooperate with the Anti-Trust Division of the Department of Justice in conducting certain investigations for the Board of Economic Warfare. These investigations will be conducted throughout various field offices and the purpose of this memorandum is to supply the necessary background and instructions for such work.

An understanding of the possible scope of the investigations we may be called upon to make will be promoted by the following description of the duties of the Office of Economic Warfare Analysis of the Board of Economic Warfare, for whom the investigations are conducted. While the work to be undertaken at present is primarily for the Enemy Branch and its three Divisions, Economic Intelligence, Economic Objectives, and Economic Potential (item 1, *infra*); the other branches and Divisions of the Office of Economic Warfare Analysis are also listed for general information and possible future reference. This material is taken directly from the organization chart of the:

BOARD OF ECONOMIC WARFARE
Office of Economic Warfare Analysis

1. *Enemy Branch*

To collect and analyze information concerning economic developments in enemy and enemy occupied territory, in order to make estimates, evaluations and recommendations concerning, (1) industrial objectives, (2) the economic potential of the enemy, and (3) other economic questions on which reports or data are requested by the Joint Chiefs of Staff, the War Department, and the Navy Department. The Enemy Branch is composed of three Divisions:

a. *Economic Intelligence Division*

To collect current intelligence data concerning economic developments in foreign countries, especially enemy and enemy occupied territory, from American business firms with foreign interests, refugees, returned travelers, censorship intercepts, foreign radio broadcasts, foreign publications, British Ministry of Economic Warfare, foreign representatives of governmental agencies, and other sources other than espionage.

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By *JKE* NARA Date *6-2-13-07*

maintain close contact with the State Department, air services of the War and Navy Departments, with the aviation agencies of the Department of Commerce, with the War Production Board and any other agencies of Government having an interest directly or indirectly in international air transportation. It will maintain contact with representatives of air transportation and aircraft manufacturing concerns on problems relating to the work of the Division. It will be responsible for the formulation of plans for the development of international air transport and will make reports and recommendations to the Board on all such matters. It will furnish either upon its own initiative or upon request to the Office of Economic Warfare Analysis all the strategic studies or other information relating to all matters of air transport nature that relate to all phases of economic warfare, including reoccupation and reconstruction, together with such reports and recommendations as would fall within this category.

b. *Petroleum Division*

It will maintain pertinent data on the oil situation in neutral countries and represent the Board on all matters affecting the neutral oil position. The Petroleum Division will act in an advisory capacity to the Office of Imports on all matters relating to the purchase of petroleum by the United States Commercial Corporation for trading purposes, and all matters relating to the importation of materials in which questions of oil supplies or development would play a part. The Petroleum Division will act in an advisory capacity to the Office of Exports on all matters relating to the licensing of petroleum, petroleum products and oil equipment. It will maintain the necessary records and information requisite to the performance of this function. The Petroleum Division will be responsible for furnishing the Office of Economic Warfare Analysis statistical or other information on foreign oil resources, refining, transportation, consumption, substitute and synthetic fuels; economic studies on all matters pertaining to petroleum; also detailed estimates of enemy war potential (an Inter-departmental Committee on Enemy Oil Position has been established under the chairmanship of the Petroleum Division), particularly strategic studies on all petroleum matters instituted on its own initiative or made upon the request of various agencies of the armed forces.

4. *Industrial Engineering Division*

To (1) give technical assistance to the Intelligence Division in gathering information about enemy industry and transport; (2) aid in organizing technical missions to friendly nations, for improvement of production and transport facilities; (3) assist other United Nations in placing technical personnel in American industry for training; (4) encourage private industry, research foundations and governmental agencies, here and abroad, to develop substitute products in foreign countries to replace critical materials.

5. Cartographic Section

To provide geographic information in consultation with the analysts of the several Divisions; to procure maps that are published and to set up specifications for maps to be made to order for the office; to plan special methods for the cartographic expression of statistical data in the economic reports prepared currently by the analysts; to cooperate closely with the Office of Strategic Services and other cartographic units in order to obtain their services and to supervise the completion of maps, charts, and graphs by other agencies to suit the specialized needs of the office.

The Anti-Trust Division of the Department of Justice under Thurman W. Arnold, Assistant Attorney General, has been conducting various investigations for the Board of Economic Warfare since April of this year to assist in carrying out the duties and functions listed above. This work is being performed by the Economic Warfare Section of the Anti-Trust Division under Edward H. Levi and James M. Martin, Special Assistants to the Attorney General. The Board of Economic Warfare has only a limited investigatory staff and thus relies a great deal for its source of information and conduct of field investigations on the Anti-Trust Division. In view of the most successful operations of the Anti-Trust Division in this field and its own limitations of personnel, we have also been asked to undertake this work for the Board of Economic Warfare making use of our own available personnel and sources of information in this respect. The arrangement which the Commission has entered into is in the nature of a "partnership" with the Anti-Trust Division in performing such investigations as may be undertaken.

The work undertaken by this Commission will be under the direction of Peter T. Byrne, Special Assistant to the Chairman. Irving J. Galpeer will be permanently assigned to coordinate the work undertaken by the Commission, and will maintain offices for that purpose in Washington, D. C., so as to be able to cooperate fully with the Anti-Trust Division and the Board of Economic Warfare in this mutual undertaking. All communications should be addressed to him at Room 3317, Department of Justice, Washington, D. C. Matter thus mailed should be put in a double envelope, and the inside envelope marked, "Confidential Do Not Open". Copies of all communications or memoranda on this matter sent to anyone else inside or outside of the Commission should also be forwarded to Irving Galpeer.

All papers in this matter should be marked "Confidential" and should be entitled, "Re: BEW Projects" or "Re: BEW Project No. 1", etc. As various investigations are undertaken, specific numbers will be given to them. All other matters pertaining hereto can be included under the general title. It is suggested that all papers on this matter be kept in separate files under the headings stated and that copies should not be included in any other files.

From time to time the specific details concerning particular items under investigation will be forwarded to the various regional offices. Where specific leads are not given, it is expected that the regional offices will, to whatever extent they are able, develop their own contacts and leads for securing whatever information may be possible from persons and concerns in their region. As this matter progresses, it is also expected that the various regional offices may themselves suggest and undertake subjects of inquiry within the broad terms of the work outlined above. In such cases the regional offices will first clear any new matters with Irving Galpeer.

In view of the background of information already acquired by the Economic Warfare Section of the Anti-Trust Division of the Department of Justice, it is suggested that our field offices cooperate closely in any work they undertake with the nearest field office of the Anti-Trust Division, and particularly that they first clear with such field offices the names of any persons intended to be interviewed, so as to avoid duplication. The location of such field offices of the Anti-Trust Division and the names of the persons in charge of their Economic Warfare work are as follows:

Edmond J. Ford	*	.. Room 805, 82 Devonshire St., Boston, Mass.
Victor E. Kramer		.. Suite 820, 208 S. LaSalle St., Chicago, Ill.
James McI. Henderson	*	.. 427 First National Bank Bldg., Denver, Colo.
Sheridan Morgan		.. 818 Scarritt Bldg., Kansas City, Mo.
James E. Harrington	*	.. 1602 U.S. Post Office & Court House, Los Angeles, California.
Herbert A. Berman	*	.. Room 559, 1060 Broad St., Newark, N.J.
Victor O. Waters	*	.. 616 Corondelet Bldg., New Orleans, La.
Robert Wohlforth)		
		.. Room 233 U.S. Court House, Foley Square.
Hyman E. Ritchie)		.. New York City, N.Y.
John J. Ruddy	*	.. 519 New Federal Bldg., St. Louis, Mo.
Elwood S. Kendrick		.. 422 Post Office Bldg., San Francisco, Cal.
Charles S. Biddell	*	.. 614 U.S. Court House, Seattle, Wash.

* Chief of Anti-Trust Office as well as in charge of Economic Warfare work at this time.

Duplicate copies of this memorandum are being enclosed so that Regional Administrators may forward the same to Branch Offices and Sub-regional Offices under their jurisdiction.

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By JE NARA Date 12-13-07

SECURITIES AND EXCHANGE COMMISSION

Statement of Economic Warfare Reports Submitted
by Regional Offices of Securities and Exchange
Commission during month of June, 1943

- (1) Memo re: Material Found in the Files of Ataka & Co., Ltd. Eugene M. Kline and Gilbert M. Collins, New York, May 26, 1943. 18 pages, Text; 54 pages, exhibits.

This memorandum contains a digest of the material and copies of 25 letters found in the files of Ataka & Co. The letters were selected because they contained significant information of the Japanese machine tool industry.

- (2) Report on Bochum, Germany. Also Location of Chemical Plant Below Kastel, and Location of Artificial Rubber Plant Between Merseburg and Leipzig, Germany. Alec J. Keller, Denver, May 14, 1943. 2 pages, 1 exhibit.

This report gives target information on the above named locations.

- (3) Memo re: Location of Kussig Werke and Schicht Plant, Kussig, Czechoslovakia. Alexander J. Brown, Jr., Chicago, May 10, 1943. 2 pages, 1 exhibit.

These locations were made by a former employee of Kussig Werke.

- (4) Report on Location of Important Targets in Nuremberg, Germany and Vicinity. Robert J. Sugrue, Chicago, May 19, 1943. 2 pages, 1 exhibit.

This report concerns itself solely with target objectives and locates 10 of the most important targets in the city of Nuremberg, such as a factory engaged in the manufacture of shells, a powder filling plant, a large gas works, the largest manufacturer of engines in Germany, etc.

- (5) Report on Bleiloch Dam near Saalburg, Germany. Robert J. Sugrue, Chicago, May 27, 1943. 6 pages, 34 exhibits.

This report is based on information obtained by the Director of Research of the Portland Cement Association, who saw the dam as a guest of Dr. Fritz Todt, head of the Todt Organization. The pictures contain excellent views of the dam from different angles.

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- (6). Memo re: Location of Magel & Kemp Co. plant; New York Harburg Gummi-fabrik; Altonaer Elektrizitats Werke; Hedrich-Muhle; Union-Kuhlhaus, Hamburg, Germany. Alexander J. Brown, Jr., Chicago, May 10, 1943. 4 pages, 1 exhibit.

This is a target objective report locating 10 industrial installations and landmarks in Hamburg, Germany.

- (7) Memo re: Maps, tourist guides and other tourist publications on Japan, China, Indo-China, Malay States, Java and Bali, including a map of the city of Rab on the Island of the same name located in the Northeast Adriatic Sea.

This memorandum lists material which is available upon request. Included are maps, tourist guides and other tourist publications on Japan, China, Indo-China, Malay States, Java and Bali, including a map, scale 1:3000, of the city of Rab on an island of the same name located in the Northeast Adriatic Sea.

- (8) Report on Sicilian Ports, Harbors, and Beaches; Islands of Lampedusa, Lipari, and Pantelleria; Aqueducts in Sicily; Health and Sanitation in Sicily. Louis F. Waged, New York, June 2, 1943. 47 pages, 43 exhibits.

This report gives details on Sicilian harbors and terminal port facilities along with a description of the surrounding terrain and roads. Included are also similar descriptions of the islands of Lampedusa, Lipari and Pantelleria. The report contains a description of water supply and aqueduct system of Sicily along with information obtained from the Rockefeller Institute on health and sanitary conditions in Sicily.

- (9) Report on Ports, Harbors, Beaches and Aqueducts of Sardinia. Robert O. Dawson, New York, June 3, 1943. 23 pages, 29 exhibits.

This report gives details on Sardinian harbors and terminal port facilities along with a description of the surrounding terrain and roads. The report contains a description of water supply and aqueduct system of Sardinia along with information obtained from the Rockefeller Institute on health and sanitary conditions in Sardinia.

- (10) Report on Industrial Locations in Bratislava, Petržalka, Podbrezova and Svaty Mikulas, Slovakia. Alexander J. Brown, Jr., Chicago, May 21, 1943. 4 pages, 2 exhibits.

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This report locates and describes 10 important objectives in the above areas.

- (11) Report on Columbia and Victor Plants, Japan; Map of Yokohama and Tokio showing other important plants. Courtland K. Townsend, New York, May 1, 1943. 8 pages, 1 exhibit.

This report describes and locates by map (scale 1:4400) the Columbia and Victor plants in Japan, and also locates twenty important industrial objectives in the Yokohama-Tokio area.

- (12) Memorandum and Photographs of dam and power plant at Le Brezon, Province of Aveyron, France; photos of bridge across Rhine River linking Kehl, Germany and Strassburg, France; lock in the Havel River, Nord-Ostsee Kanal, coast line at Keapen, and Der Westhafen-Berlin, Germany. William L. Cohn, Denver, April 16, 1943. 1 page, 7 exhibits.

These pictures are good views of the above subjects.

- (13) Memo re: Significance of Denmark in Germany's Industrial Economy. Robert J. Sugrue, Chicago, May 13, 1943. 4 pages.

This memorandum describes the contribution of Danish industry to the German war effort.

- (14) Report on Locomotives for Korea (Chosen).

Contains specifications, blueprints and pictures of locomotives purchased in the United States in 1940 by Mitsui & Co. for use in Korea. Gilbert R. Collins, New York. June 9, 1943. 3 pages, 11 exhibits.

- (15) Railroad Timetables for South East and South West France. Submitted by Richard J. Cornell, New York. June 1, 1943.

These timetables were in effect November 2, 1942 or just before the Axis occupation of that part of France.

- (16) Miscellaneous Memoranda:

- (a) Machine Tool Factory in Bielefeld, Germany. Alec J. Keller, Denver. May 14, 1943. 1 page, 1 exhibit.

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The location of one of Germany's largest machine tool factories is discussed.

- (b) War industries between Soest and Brilon, Germany; reservoir between Soest and Neheim; dynamite factory in Forde; location of Humboldt and Fanz Hagen locomotive and machinery manufacturing plant in Kalk, Germany; power plant at Knapsack between Cologne and Bonn. Alec J. Keller, Denver. May 24, 1943. 2 pages, 1 exhibit.

Contains general information on war industries in above localities and a sketch setting forth location of Felton and Gilliaume Cable Works, and Humboldt and Fanz Hagen machinery plant.

- (c) Eisenbahn Signalwerke, Bruchsal, Baden, Germany. William L. Cohn, Denver. May 29, 1943. 2 pages, 2 exhibits.

This plant, which manufactures railroad signal equipment and precision instruments, employs about 2000 persons. Its location and surrounding landmarks are plotted on a map.

- (17) Collection of photographs and maps obtained from files of Mitsui & Co. Eugene M. Kline and Gilbert Collins, New York. May 19, 1943. 157 exhibits and 10-page index memo.

This collection covers a large cross section of Japanese industry, not only in Japan proper, but in Manchuria, Korea and Formosa. Industries covered are the electrical (steam and hydro), coal, oil, iron and steel, shipbuilding, engineering, cotton and rayon, wood and paper, railroad, sugar, fertilizers, and sulphur. There are also pictures of ports showing cranes and other shiploading equipment.

- (18) Memo re: Fort Improvements in France. Submitted by Richard J. Cornell, New York. June 3, 1943.

This memorandum contains articles and pictures on harbor construction, dock capacities, drydocking, dimensions, rail facilities and equipment of Marseilles, Toulon, Nantes, St. Nazaire and smaller ports of the Lower Loire.

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- (19) Report on the Vegetable Oil, Fat and Glycerine Manufacturing Industry at Harburg-Wilhelmsburg and at Hamburg, Germany. Kenneth J. Nordstrom, Cleveland. June 15, 1943. 5 pages, 3 exhibits.

This report describes and locates the three largest manufacturing and processing plants furnishing the bulk of vegetable fats, oils and glycerine in Germany. The information was obtained from the patent-licenses in this country of the German companies described.

- (20) Three Volumes: Zppelin-Westfahrten (Buch I and II) and LZ 129 Hindenburg (Buch III). Submitted by Denver Regional Office. May 29, 1943.

These volumes, which are in German, contain technical data on the construction and operation of dirigibles. There are many pictures of dirigibles, hangars and landing fields. (Available on request).

- (21) Supplement to Report on Coke Ovens in the Saar - Lorraine and French - Belgian - Dutch Areas dated May 25, 1943. Robert F. Lutz, New York and Charles C. Curry, Fort Worth. 14 pages, 17 exhibits. June 17, 1943.

This report supplements a previous one and contains target information on 21 additional coke ovens, along with a discussion of by-product yields, types of coke ovens used, and the exhaustor unit as a bottleneck.

- (22) Report on The Toyo Kohan Works and Electric Power Supply, Kusanatsu, Japan. Kenneth J. Nordstrom, Cleveland. June 7, 1943. 2 pages, 1 exhibit.

The Toyo Kohan Works, tin plate manufacturers, and their sources of electrical power are described and located. Information obtained from person who supervised the installation of new equipment, and from member of electrical firm who worked at plant for ten months in 1936.

- (23) Memo re: Walkunsee Kraft Werke, Bavaria. Robert J. Sugrue, Chicago. May 19, 1943. 1 page, 3 exhibits.

Contains map of Bavaria upon which has been superimposed a large scale drawing of the area where the Walkunsee Kraft Werke, a 200,000 H.P. hydro-electric power station, and the main source of Bavarian electric power, is located.

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Included are also two aerial photographs of the Kochelsee, a lake situated directly north of the Walkensee Kraft Werke.

- (24) Compagnie des Metaux Overpelt-Lommel. Franklyn S. Judson, Cleveland. June 21, 1943. 3 pages, 2 exhibits.

Compagnie des Metaux Overpelt-Lommel of Belgium is a manufacturer of zinc, lead, superphosphate and sulphuric acid. It is the third or fourth largest of this type of plant in Europe and appears to be a fairly important military objective.

- (25) Yugoslav Ports and Harbors. Lawrence D. Medsbohl, Chicago. June 2, 1943. 10 pages, 21 exhibits.

Coastal towns, harbor facilities and installations, roads and topography, along the Eastern Adriatic Coast of Yugoslavia and the Dalmation Islands, including the shore line of the Carnaro Gulf.

- (26) Sumitomo Duralumin Plant and Electric Power Station, Osaka, Japan. Kenneth J. Nordstrom, Cleveland. June 8, 1943. 3 pages, 3 exhibits.

Sumitomo Kirzoku Kaisha Company is the largest manufacturer in Japan of airplane metal stock of duralumin, magnesium, copper and brass. The information contained in this report was obtained from a person who spent considerable time at this plant in 1937 and 1938 supervising the installation of a two-high aluminum alloy mill.

- (27) Deutsche Vereinigte Schuhmaschinen Gesellschaft, Frankfurt am Main, Germany. Coleman Silbert, Boston. May 3, 1943. 3 pages 24 exhibits.

This company, a subsidiary of United Shoe Machinery Corporation, normally supplied over 50% of the total shoe machinery in Germany and in Holland. The report describes the location of the plant, its equipment and production.

- (28) Material found in the files of Iwai & Co. Ltd. Eugene M. Kline and Gilbert A. Collins, New York. May 29, 1943. 3 pages, 5 exhibits.

Contains information on Japanese celluloid and machine tool industry, etc., and a survey by Iwai (Tokyo) on Japanese industrial activity as of March 1940. Also included is a memorandum labeled: "The Vital Spots: Twenty-three raw materials without which a nation cannot make war."

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- (29) Additional material found in the files of Mitsui & Company. Gilbert R. Collins, New York. June 18, 1943. 3 pages, 11 exhibits.

This report contains material indicating Japan's interest in various oil, alcohol and metallurgical processes. The actual orders and specifications are included in the exhibits.

- (30) Furukawa Copper, Brass, and Duralumin Works, Nikko, Japan. Kenneth J. Nordstrom, Cleveland. June 7, 1943. 3 pages, 4 exhibits.

The Furukawa Company is an important producer of duralumin airplane stock and of 37 and 50 caliber copper alloy shells. Included in report is the location of the steam electric plant which not only is the sole source of electricity for the Furukawa Works, but also supplies power to the electric railway and for the city of Nikko.

- (31) Yawata Iron Works and Electric Power House, Yawata, Japan. Kenneth J. Nordstrom, Cleveland. June 12, 1943. 2 pages, 1 exhibit.

The largest Japanese steel mills are described by a person who supervised the installation of equipment in 1938. The steam power plant located at the mills, which serves the city of Yawata, is also described.

- (32) Japanese Industrial Pictures. Gilbert R. Collins, New York. June 12, 1943. 103 pictures and 3-page index memo.

Additional pictures obtained from the files of Mitsui & Co.

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