EMBASSY OF THE UNITED STATES OF AMERICA Serial No.L-208 1944 SEP 21 AM 11 15

OFFICE OF THE NAVAL ATTACHE BUENOS AIRES, ARGENTINA.

11 September 1944

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CONFIDENTIAL O CAPTAIN WEBB:

From: U. S. Naval Attaché, Buenos Aires The Director of Naval Intelligence To :

44 by First Officer 1 SS KNUTE NELSON -- suspected material on board Subject:

Enclosure: (A) Report of Lieutenant W. H. Sulliyan, USNR re subject matter, dated 11 September 1944. (B) Envelope marked Exhibits A and C.

1. A quantity of material believed to be opium was discovered on board subject named vessel while in the port of Buenos Aires.

2. The circumstances connected with the discovery and disposition of the material are set forth in enclosure (A).

3. The vessel will leave Buenos Aires about 15 September and it is expected that it will stop at Rio de Janeiro, Trinidad, and San Juan. after identifying myself, I may enden a package

Enclosure (B) contains a small smaple of the material, plus the outer wrapper in which the material was found. The envelope is marked "Exhibits A and C".

5. It will be noted from enclosure (A) that the master of the KNUTE NELSON has been instructed to turn the package of material over to United States authorities on demand at either Rio de Janeiro, Trinidad, or in Puerto Rico. It is requested that the authorities at one of these ports be notified.

of five (6) stlors seen, one (1) qualler package of four (4) sticks, sixteen [16] losse whole sticks, and four (4) loose half sticks, some of the weappers bore that the period to be inscriptions is kreins and the sticks the first of W. W. WEBB stamps.

cc: Com4thFlt

Having no means of securing a safe identifigation of the substance, but feeling that it was some drug, I warned these four men that secret is imperative and that nothing ______ concerning the finding point be told to their shipmates. I ther took one of the half state of paving the remainder in Mr. Dermit s custody--locks in _______ his bedroom) to the home of Captain W. Webb, the Naval Colons (2001 told him the entire story and that I thought the naval Colons (2001 told him the entire story and that Just arrived of the store of the from the Persian Gulf Area, just arrived a mille

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OFFICE OF THE NAVAL ATTACHÉ BUENOS AIRES, ARGENTINA.

11 September, 1944

MEMO TO CAPTAIN WEBB:

This report relates to the information obtained, and work done in connection with the report made to this office on the night of September 8, 1944 by First Officer Edward E. McDermott of the United States SS Knute Nelson to the effect that he had a suspicious package aboard that ship and wanted to talk to someone from the Attaches Office.

About 2230 on the night of September 8th, I received a phone call from Yeoman 1/c Sforza to the effect that a suspicious package had been found on the SS Knute Nelson and that it was in the custody of the Ship's First Officer, Edward E. McDermott.

I arrived at the ship about 2300 and went to the First Officer's Room where I found Mr. McDermott in company with the Second Engineer, Mr. Montez; the Chief Radio Operator, Mr. Chase; and an oiler, William Downey.

After identifying myself, I was shown a package containing a quantity of round-pencil-shaped objects which Mr. McDermott stated had been turned over to him by Wm. Downey. Downey stated that he had found them in the firemen's washroom behind the washbasin, and that he had turned them over to Mr. McDermott immediately.

Examination of the package revealed a total of thirty-five (35) full and four (4) half sticks of a brittle substance having the appearance of solidified black molasses. The sticks were divided as follows. three (3) smaller packages of five (5) sticks each, one (1) smaller package of four (4) sticks, sixteen (16) loose whole sticks, and four (4) loose half sticks. Some of the wrappers bore what appeared to be inscriptions in Arabic and the sticks themselves had attached green and white stickers which resembled revenue stamps.

Having no means of securing a safe identification of the substance, but feeling that it was some drug, I warned these four men that secrecy was imperative and that nothing concerning the finding should be told to their shipmates. I then took one of the half sticks (leaving the remainder in Mr. McDermott's custody--locked in a drawer in his bedroom) to the home of Captain W. Webb, the Naval Attache, and told him the entire story and that I thought the substance was opium. Inasmuch as the ship had just arrived on September 6th from the Persian Gulf Area,

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we agreed that a member of the crew had probably brought it from that area and we decided to do nothing further about it that night. Both of us initialed this half stick for identification and the Captain kept it in his possession while I returned to the ship at which time McDermott and I initialed the rest of the find for future identification and he again locked it in his drawer to await further instructions. We both marked the outer wrapper for identification and handled it as little as possible. I took it with me as a possible source of fingerprints. This wrapper, marked exhibit "A", is in the attached envelope. To the best of my knowledge, it has been handled by myself, Edward E. McDermott, and William Downey only. Any other prints found thereon should be treated with suspicion.

On the morning of September 9, 1944, after further consultation with Captain Webb, it was decided that it would be inadvisable to attempt to bring the find ashore and that all things considered the best solution would be to leave it on the Nelson and to have it removed at the first U.S. controlled port of call. Accordingly Commander C. Finstrom and I returned to the ship at about 1030 where, after contacting Mr. McDermott, Commander Finstrom also initialed the suspected articles for identification. They were then made into a package, placed in a manilla envelope and sealed. This envelope was marked "Routing Instructions" "Not to be opened until the ship is at sea" and turned over to the Captain of the Ship, C. Christopherson, who put it in his safe. He was instructed not to open it, not to declare it, and to turn it over to the U.S. Authorities on demand at either Rio, Trinidad, or in Puerto Rico. The package contains thirty-five (35) full sticks and three (3) half sticks of the suspected substance together with the original of the attached exhibit "B". Of the remaining one (1) half stick, half of it has been retained by Captain Webb and the balance is attached hereto marked " exhibit "C". It bears the initials of Captain W. W. Webb and of Lieut. W. H. Sullivan.

Of possible importance to any further investigation, is the ownership of two opium pipes by members of the merchant crew. Their names are Paolo Pringe (of Italian extraction), and William B. Pedler (a Canadian Citizen called Canada). The first named is a deck engineer and Pedler is a fireman. The pipes were secured in the Persian Gulf.

No further investigation was carried out inasmuch as secrecy was believed to be necessary to insure the ship's departure on time.

Liebt. W. H. Shillyan, W.S. N.R.