Bucharest, filed May 22, 1941.

1. The army of Rumania as now organized consists of 20 divisions and 2 mountain brigades. About 14 divisions are located in east Rumania. A detailed order of battle is not obtainable. The much publicized reorganization of the armed forces has not been realized. So far, most of the equipment received from the Germans has been antiaircraft. It is of Polish origin for the most part, with odds and ends of French, Dutch and Belgian. The Germans apparently keep for themselves captured mechanized and motorized equipment. Since last autumn Rumania has reportedly received 150 modern German planes. 100 modern planes with fancy Rumanian markings were flown recently. Whether by Rumanian pilots is not known.

2. The role the Rumanian army will play in the future, which I can visualize only in the case of a German attack on Russia, is to act as scavengers of the battlefield like the Bulgarians in the recent Balkan campaign. Its probable fate, if Germany is victorious, will be to be reduced to a small police force, with labor service taking the place of compulsory military service.

3. The Hungarian army is despised by the Rumanians and played no role whatever in aiding Germany in Russia.

4. The Rumanian army and air force should not be taken seriously. The Germans certainly do not. They appear to have given up the idea, if they ever had it, of making soldiers out of Rumanians. Training results have been achieved only in antiaircraft defense. Otherwise the only visible effect is that officers now wear swords at all times in public. This, however, does
not keep hands out of pockets nor prevent them from proceeding are in arm.

5. I have had no success in checking rumors concerning German shipments by plane from Rumania to Turkish Black Sea ports and across Turkey to Iraq or Syria. No reports about rail shipments from Rumania south. I believe that a secret agreement already exists between Germany and Turkey. This belief is also held by high Rumanian officials. The Turkish Military Attaché, a good friend of mine, who heartily detects the Germans, has been avoiding me for some time.

6. Information from returning German indicates that German losses in the Greek and Yugoslav operations were small because there was little fighting and this all rear guard action. Of course, the British claim they fought like tigers. The Germans never minimize or belittle the fighting of opponents. The flavor the enemy fights the greater the German military glory - considering the results. The Germans do not object to being known as mighty hunters of tigers.

7. The Danube is open. Oil barges arrived at Giurgiu a week ago. Loading is going on despite much confusion and congestion.

8. There is heavy traffic of loaded German transport planes from Rumania to Bulgaria. Ultimate destination unknown.

9. The tension over Rumania has decreased. The bulk of German troops is reported moving north into Bohemia from Malaviria. Malaviria is garrisoned by Russian troops.

Distribution:
Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff

Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence
Assistant Chief of Staff, G-3

CONFIDENTIAL
CONFIDENTIAL
Paraphrase of Code Cablegram
Received at the War Department
at 12:20, May 23, 1941

Rome, filed May 23, 1941.

1. Authentic sources state that in the Balearic Islands there are no Italian troops.

2. The size of the wheat crop in Spain will determine largely whether the Spaniards will allow any passage of German troops through that nation. It is believed that if Spain allows such troop movements the British will retaliate by cutting certain wheat supplies now necessary to Spain.

3. It is not believed that a bumper wheat crop will be had in Spain this year.

Distribution:
Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: Weekly Military Report: The Reliability of the Reports of our Rome and Berlin Attaches

Summary

1. As a source, Rome is unreliable. A compilation of the forecasts of future events made by our Rome Attache for the past nine months shows a score of sixty percent wrong. This is not so much a reflection on the caliber of the Attache as on Rome as a source of information. There is no real difference in this matter between the two Military Attaches, Paine and Fiske, whose reports are included in this period.

2. The reports from Berlin include fewer prognostications or estimates and these are generally about eighty percent accurate.

Reports from Rome

September 10, 1940 A usually reliable informant states that Hitler has demanded that 400 Italian planes participate on September 15 in a mass attack on England, and that on the following day the Germans will launch their main attack. A different and well-informed source says that the German attack may be expected this week-end. (Paine)

October 23, 1940 At attack on Greece by Italy at the present time would be a strategical blunder. It is possible but not probable. (Paine)
December 3, 1940

Badoglio has resigned as Chief of Staff, according to reports received from several trustworthy sources. General Ugo Cavallero is being suggested as a possible successor if Badoglio goes. (Paine) (This change was publicly announced several days later.)

March 11, 1941

It is believed that an offensive is impending in Albania. (Fiske) (The offensive did occur.)

March 24, 1941

The Germans intend to start operations in North Africa in fifteen days or thereabouts. (Fiske) (The German attack started around the first of April.)

March 24, 1941

To my mind there is no chance at all of success in an Italian offensive in Albania now. The morale of the troops is too low. (Fiske)

April 5, 1941

It has been reported although not confirmed that German troops are departing for Albania from Italian Adriatic ports. (Fiske) (Incorrect)

April 6, 1941

There is now further evidence confirming that there is a large movement of German troops into Albania. (Fiske) (Incorrect)

April 9, 1941

Large Italian and German forces have been concentrating near Brindisi and Bari. The intention is a landing operation on the west coast of Greece. This is based on a thoroughly trustworthy source. (Fiske) (Never happened)

April 19, 1941

The statement is made by Italian sources believed to be trustworthy that the German command in Africa is getting ready for a direct push from the Oasis of Jarabub. This will move over the desert and hit somewhere south of Cairo. (Fiske) (Never happened)
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Reports from Berlin

September 30, 1940  The German air force has not yet gained air supremacy over the British.

March 21, 1941  It is believed that Germany is giving first priority to the attack on England. Nevertheless, there has been an increase in the German forces in the east. The reason for this increase is not known.

April 3, 1941  At attack on Yugoslavia and Greece is expected in the near future. (The attack began April 6)

April 17, 1941  Some observers here believe the next major German push will be against Russia.

May 15, 1941  A fairly reliable source in Berlin reports without confirmation that the Germany army is going to attack Crete, supported by parachute troops.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE June 3, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck
Subject: Summary of Military Reports

Cyprus

The British have only one good air base for land planes at Cyprus and one fair seaplane base. There are several other poor bases. The British, however, are not trying to improve their bases since they do not want to hand over finished air fields to the Axis. There are no British planes now based on Cyprus. (Cairo, Military Attache, May 25)

(The tone of this report coupled with the great damage and losses suffered by the Mediterranean fleet around Crete makes it doubtful whether the British have much of a chance to hold Cyprus against a determined German attack.)

Egypt

The Suez Canal is still closed by mines. (One section or another has been closed since May 9. Probably at most only a small intermittent flow of supplies has been coming through.) (U.K. Embassy, London telegram, May 29)

Syria

The British think the French forces in Syria (25,000 men, ill-equipped with poor morale) would resist a British invasion. (London, Military Attache, May 25)

Crete

The British Army Chief of Staff felt a week ago that none of the allied troops in Crete would be evacuated. He commented bitterly on the fact that no air support had been granted. This would probably result in bad feeling in New Zealand. (The British commanders in Greece emphasized the desire of the army to have air support under army command.) (London, Military Attache, May 25)
Russia

On May 19, according to British Military Intelligence, the Russians had in the west about 3,600,000 men. This army consisted of 131 infantry divisions, 25 cavalry divisions, 32 armored brigades, 10 motorized brigades and 14 presumably motor-mechanized brigades (a combination of motorized and armored elements).

(The Germans at a maximum would not have more than 16 armored divisions. The Russians, therefore, with 32 armored brigades on the western frontier alone have the equivalent of at least 16 German panzer divisions. In a German invasion of Russia, the Germans would, therefore, meet for the first time an enemy over which they would not have overwhelming superiority in quantity of men and equipment.)

According to the Yugoslav military attache in Moscow, Stalin has revealed a desire to give the final blow to Germany should the United States and England be able to weaken Hitler; thus making possible a Soviet Europe. Yugoslavia would not be re-created but a Balkan Red Union with constituent republics of Serbia, Croatia, Montenegro and Bulgaria would be set up.

There is no indication of Soviet military activity in the south. The U.S.S.R. will not permit transport of German troops across its territory but will furnish grain to Germany as far as it can "up to the starvation point".

The new class of conscripts is being called to the colors now instead of in the fall.

According to the Japanese military attache, the Russians are shifting key men from their Far Eastern armies to form the Cadres for new divisions in the west. (This is significant since the Japanese military attache scoffed at earlier reports of the shifting of troops from the Far East as being propaganda.)

(Moscow, Military Attache, May 24)

German Navy

The Scharnhorst and Gneisenau are reported to have been sufficiently damaged by RAF bombing to keep them in dock for repairs for at least two months. (London, Military Attache, May 27)
Division of Monetary Research

On May 28, the Tirpitz (sister ship to Bismarck) the Hipper (10,000 ton cruiser) and Admiral Scheer (pocket battleship) were in their usual positions at Kiel. (U.K. Embassy, London telegram, May 29)

German Army

Distribution of German Army on May 19
(According to British Military Intelligence)

<table>
<thead>
<tr>
<th>Region</th>
<th>Total - All Divisions</th>
<th>Armored Divisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandinavia</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>West</td>
<td>47</td>
<td>2</td>
</tr>
<tr>
<td>Russian Border</td>
<td>110</td>
<td>4</td>
</tr>
<tr>
<td>Balkans</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>En Route to Libya</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Strategic - Reserve - Germany</td>
<td>27</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>230</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

(Unaccounted for:
Troops already in
Libya 2-4
Finland 3-5
Residual 20-26 (?)

Grand Total 260 according to our Berlin attache)

(It is not possible to make an exact comparison with earlier reports since the British identify only 230 divisions and our Berlin attache 260. However, compensating for this, the Germans appear to have slightly reduced their strength in the west in the last month but have about maintained their strength of 110 divisions (around 2,000,000 men) on the Russian frontier.)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE June 4, 1941

TO Secretary Morgenthau
FROM Mr. Kamarok

Subject: Monthly Report: Royal Air Force Activity to June 1, 1941

Comment

1. The bulk of the bombing attacks made by the R.A.F. in May occurred in the first half of the month. After May 14, while raids still occurred, a definite lull in bombing activity occurred. The explanation may be bad weather or the arrival of Hess.

2. The summary tables which are appended are not completely accurate. This is because the British often report raids in vague terms "The docks at Calais and Ostend and other ports in occupied territory were attacked". However, the figures do indicate the direction of the main effort of the British.

1. Analysis of Targets

<table>
<thead>
<tr>
<th>Targets</th>
<th>Attacks During May</th>
<th>Total Number of Attacks to June 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>54</td>
<td>934</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>12</td>
<td>712</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>18</td>
<td>668</td>
</tr>
<tr>
<td>Oil refineries, synthetic oil plants and tank farms</td>
<td>6</td>
<td>336</td>
</tr>
<tr>
<td>Total of Above</td>
<td>120</td>
<td>2,650</td>
</tr>
</tbody>
</table>
2. Leading Cities Attacked

<table>
<thead>
<tr>
<th></th>
<th>Attacks During May</th>
<th>Total Number of Attacks to June 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Germany</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>5</td>
<td>70</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>4</td>
<td>66</td>
</tr>
<tr>
<td>Cologne (industrial center)</td>
<td>4</td>
<td>65</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>4</td>
<td>43</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>3</td>
<td>42</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>3</td>
<td>39</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total of Above (11 Cities)</strong></td>
<td>25</td>
<td>528</td>
</tr>
<tr>
<td><strong>B. Occupied Areas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boulogne (port)</td>
<td>4</td>
<td>85</td>
</tr>
<tr>
<td>Calais (port)</td>
<td>1</td>
<td>68</td>
</tr>
<tr>
<td>Ostend (port)</td>
<td>2</td>
<td>66</td>
</tr>
<tr>
<td>Flushing (port)</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>Brest (port)</td>
<td>4</td>
<td>61</td>
</tr>
<tr>
<td>Lorient (port)</td>
<td>0</td>
<td>48</td>
</tr>
<tr>
<td><strong>Total of Above (6 Cities)</strong></td>
<td>11</td>
<td>391</td>
</tr>
<tr>
<td><strong>C. Italy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Naples (port)</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total of Above (2 Cities)</strong></td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td><strong>3. R.A.F. Losses in</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bombing Raids in</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Europe</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td><strong>Losses During May</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To June 1</td>
<td>664</td>
<td></td>
</tr>
</tbody>
</table>
TO: Secretary Morgenthau

FROM: Mr. Kamarock

Subject: Summary of Military Reports

Crete

One third of the allied army in Crete was captured, one third killed or wounded and one third evacuated. About 8,000 soldiers were evacuated by May 30.

The Mediterranean fleet suffered extensive damage. Bombing hits were scored on every ship but one. (Cairo, Military Attache, May 30)

German Air Attacks on England

It was bad weather which stopped German air attacks on England during the last half of May. This gave England sixteen days of rest. The Germans apparently save their resources for heavy attacks in good weather. (U.K. Embassy, Telegram, May 31)
The following is a summary of the situation in Crete.

1. At the last report, about 8,200 of the Allied forces have been successfully transported to other theaters.

2. The unsuccessful defense of Crete has developed into a disaster. The entire force may be divided approximately as follows:

   1/3 captured
   1/3 evacuated, and
   1/3 casualties.

3. In Libya air observers have reported heavy antiaircraft fire in the Bardia-Sabratah-Sidi Ameen area.

4. Damage to the Fleet during the Crete operations was extensive. With the single exception of the ELENI, hits were scored on every ship and damage ranges from slight to sinking.

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
G-3
Dear Mr. Secretary,

I enclose herein for your personal and secret information copies of the two latest reports received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

[Signature]

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,
Washington, D.C.
Telegram from London dated May 31st.

1. **Naval.** His Majesty's Ship "Imperial" disabled by bomb later sunk by His Majesty's Ship during operations north of Crete night of May 28th/29th; her crew taken off. A/S trawler "Sidonia" sunk in heavy dive bombing attacks Tobruk. Admiralty tanker Cairndale (6129 tons) sunk by U-boat May 30th 150 miles west of Gibraltar.

2. **Crete.** Very little news owing to difficulty of communications. Further German air borne reinforcements arrived May 29th and intensive dive bombing continued all day. Our troops exacted heavy toll of the enemy.

3. **Abramia.** General Caporati Commander 21st Italian Division surrendered.

4. **Libya.** PETROLS active night of May 28th/29th Tobruk, destroyed one enemy Breda post and inflicted at least 12 casualties. May 29th. Harbour heavily bombed, a jetty damaged and almost empty oil tanker set on fire. Four enemy aircraft destroyed by anti-aircraft fire.

5. **German Air Activity.** Weather has stopped enemy air attacks last week. Enemy appear to adhere to policy of holding resources for heavy attacks in good flying weather; hence the last 16 days have given Britain valuable rest and uninterrupted production. At least three bombs dropped in Dublin during night of May 30th/31st. 17 persons killed near Amiens Street station, total casualties about 100. Irish Anti-aircraft fired on the raider May 30th/31st. 135 enemy aircraft operating of which 25 were sea-mining off west coast ports. No concentrated attacks.

6. **Iraq.** Our column from Fallujah has reached outskirts of Bagdad. Our aircraft carried out operations in support of our ground forces in Bagdad area and caused a large fire in an M.T. depot at Rashid where screaming bombs were dropped.
Telegram from London dated 1st June, 1941.

Cretan Operations.

His Majesty's A.S. Perth hit by bomb and speed reduced to 25 knots. His Majesty's destroyer Napier damaged by near miss. His Majesty's Ship Calcutta sunk.

3. British aircraft obtained three direct hits Italian merchant vessel Flore II outside Sfax.

At Home.

Unfavourable weather prevented Royal Air Force operations during May 31st or night of 31st. Night of 29th/30th Royal Air Force bombed aerodromes Rhodes and Scarpanto. Our fighters maintained protective patrol over naval units between Crete and Egypt on 29th and 30th destroyed four enemy bombers, damaging others and forcing further 20 to jettison bombs.

4. Enemy Air Activity over United Kingdom negligible during daylight 31st but night of 31st/1st 150 aircraft operated over west and northwest, concentrating on Merseyside. Damage not severe and casualties light. Fighters destroyed three enemy aircraft.

5. Tripoli.

Attack on May 30th by enemy bombers three of which destroyed by anti-aircraft fire. May 30th, ten enemy AFV's were engaged by our artillery, one enemy tank knocked out. Five enemy tanks approaching perimeter dispersed.

6. Iraq/
6. **Iraq.**

Truce for time being ends Iraqi war. Two reasons contributing to this end (1) German assistance came too little and too late owing to bad timing of Rashid Ali, (2) commercial life of country paralysed because no faith in Rashid Ali and because we hold Basrah, country’s only port.
TO: Secretary Morgenthau
FROM: Mr. Kamarck

Subject: Weekly Military Report: The British Defense Against Night Bombers

Summary

England is making progress on the crucial problem of stopping the night bombers. This is shown by the increasing German casualties. There is no one answer and headway has been made from several angles: by using new tactics based on a long-range fighter, the use of radio detection, the development of a chemical air searchlight, countering the German radio beams, adapting airplanes as specialized night fighters, and carefully selecting pilots for night fighter crews.

1. The increasing German losses of night bombers in the past five months begin to offer the hope that in a reasonable period of time England will be able to find the answer to the night bombing menace. The known German losses of night bombers since the first of the year are as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>15</td>
</tr>
<tr>
<td>February</td>
<td>15</td>
</tr>
<tr>
<td>March</td>
<td>47</td>
</tr>
<tr>
<td>April</td>
<td>90</td>
</tr>
<tr>
<td>May</td>
<td>156</td>
</tr>
</tbody>
</table>

The high German casualties in May are particularly noteworthy since the Germans did not undertake any large-scale attacks on England in the last half of the month due to bad weather.

The British figures of German losses are to be regarded as minimal. Last fall, the British found that they were losing three times as many night bombers in crashes on landing as they were over Germany. Obviously, such a high ratio could not hold now. But it is certain that the Germans have losses of which the British are unaware.
2. The increasing success of the British in meeting the night bomber has been due to a number of reasons. No one single answer has been found completely effective to date. The combination of a number of approaches has, however, begun to make headway.

(a) Using a new long-range fighter, the Beaufighter, the British have been ambushing the German night raiders at their home airdromes as they return from raids.

(b) For defense over England, a secret radio detecting device has been developed which makes it possible to direct a fighter to within 1,500 feet horizontally of the night bomber. On a clear moonlit night this 1,500 foot gap can be surmounted to some degree by the fighter pilot himself. The result is high German casualties on clear nights with a full moon.

(c) On dark nights when contact has been successfully made through use of the radio finder, the German bombers have often been able to break away by a twisting dive, losing their pursuer. To correct this, the British are developing a high powered chemical searchlight to be installed in the nose of the American Douglas DB-7 (the "Boston" or "Havoc"). During the two or three minutes of its burning, this light is said to be more powerful than any electrically operated ground searchlight. With this searchlight, night fighters will hunt in pairs. When contact is made the fighter carrying the searchlight will turn it full on the German bomber while the accompanying fighter attacks.

(d) On nights when there is little visibility the Germans at times engage in area bombing guided by radio beams. A beam from Norway and a beam from France are made to intersect over the target in England and at the intersection the bombs are dropped.

As a measure of defense, the British have been fairly successful in "bending" the radio beams. In this way, the bombs are dropped in non-vital areas. At the same time, the British knowing the point of intersection are able to concentrate their defense to meet the attack.
(e) A special type of night fighter is being evolved. The day fighters have proven themselves not best suited for night fighting.

An ideal night fighter has to be able to excel the bomber in climb, speed and maneuverability. At the same time, it should carry a three man crew; a pilot, a radio operator and a gunner who does not need to spoil his vision by looking at illuminated dials. The American bomber, Douglas DB-7 or "Boston", has been found to be suited for conversion into a night fighter. When used as a night fighter, the British name it the "Havoc". It was first employed as a night fighter on April 10.

(f) Night fighter crews are likewise becoming specialized. The men are carefully selected for excellence of night vision. In preparation for a flight, they wear dark glasses for hours to prepare their eyes.
TO  Secretary Morgenthau
FROM  Mr. Kamarck
Subject: Summary of Military Reports

Syria

The forces entering Syria are believed to be composed of two British divisions and an incomplete Free French division (total, perhaps 40,000 men). The Vichy forces are estimated as comprising five or six weak divisions totaling 49,000 men. (An earlier estimate placed the figure at 25,000.) The Germans are reported to have left. (On present indications, the British will probably be successful in occupying Syria. The tempo of the advance to date, however, is dangerously slow. Beirut and Damascus should have been seized by the second day of the invasion.) (M.I.D., Situation Report, June 9)

German Navy

The Prinz Eugen (10,000 ton cruiser), escort ship of the Bismarck, is now in Brest. (The Germans are assembling quite a striking force on the Atlantic: two 26,000 ton battle cruisers and now a 10,000 ton cruiser have slipped out of the North Sea to Brest.) (London, Military Attache, June 8)

Crete

The Stuka attacks on ships were most dangerous. The attackers dropping out of the sun were sometimes not seen until after the bombs had been released.

The aircraft carrier, Formidable, because of a lack of planes was never able to keep more than two pursuit planes aloft. These, however, were effective in warding off the Stuka attacks.

The cruiser York was sunk by an Italian one-man torpedo. (First mentioned as used at Gibraltar. A one-man torpedo is steered by a volunteer clinging to it. After aiming, the man slips off while the torpedo goes straight ahead. To my knowledge, this is the first successful use of this device in the war.) (Cairo, Military Attache, June 14)
TO
Secretary Morgenthau

FROM
Mr. Kamarok


(Much of the military situation in the Middle East is explicable only in terms of the political background. This memorandum is based largely on the scattered references of our Cairo Military Attache on this subject.)

1. The peoples of the Middle East have developed a strong national consciousness and a desire for freedom and independence from all outside control including British control. In Egypt, for example, our Cairo Military Attache reported that the Egyptians wish neither German nor British domination and that one of the reasons Egypt has not entered the war is the refusal of the British to promise to leave Egypt after the war is over.

It is not possible to dismiss this longing for independence as being due to German influence or German bribes. Our Cairo Attache states that the British themselves are dropping the story that Rashid Ali, the recent head of the Iraq government, was bribed by the Germans. Rashid Ali received support from the people of Iraq because he sincerely expressed their desire for independence.

Our Attache likewise reports that the Arab leader of Palestine, the Mufti Amin el Husseiny, is not pro-Nazi but is anti-British. The Mufti, who is now living in exile in Iran, is considered by the Egyptians as the greatest Arab leader alive. The Mufti is working for a united free Arab people.

As it happens, the Jewish settlement in Palestine has become to some degree the symbol of foreign control to the Arabs and opposition to it, therefore, has become one of the unifying elements in the Arab world.
2. The British do not possess the military strength to rule the Middle East with naked force alone. They, therefore, must move discreetly. This partly explains the cautious slowness with which the British have moved in Iraq and Syria.

The campaign against Rashid Ali in Iraq took a month to complete. It is important to note that Rashid Ali and his movement were not crushed by force. Rashid Ali was driven from Iraq more by political maneuver than by force of arms. The British military leaders in the Near East, indeed, wished to compromise with rather than oppose Rashid Ali. Pressure to force Rashid Ali out was on direct orders from London.

The leader of the opposition to Rashid Ali, the Regent Abdul Illah, demanded and received from Anthony Eden acceptance of the principle of Arabic unity and freedom for Iraq. In this way, Rashid Ali's platform was stolen from under his feet. At the same time, the British control of Iraq's main port, Basra, caused economic distress to certain sections of the population. The Iraq minister of war came back from his visit to Ankara with the demand that Rashid Ali resign. This split the upper army and government circles. Finally Rashid Ali had an empty treasury and could not pay his army to keep fighting. The last fact indicates that the charge of German bribes was unfounded.

It was the combination of all of these political and economic factors rather than actual warfare which drove Rashid Ali out.

While Rashid Ali is gone, it is necessary to remember that the situation in Iraq has not substantially changed.

Similarly the entrance of allied troops into Syria had to be preceded by a British promise of independence for Syria. The slowness of the advance which is inexplicable on purely military grounds is probably due to the political factors in the situation.
TO Secretary Morgenthau
FROM A. M. Kamarck
SUBJECT: Summary of Military Reports

Syria

While the French regular soldiers are resisting, there have been a great many desertions by the Senegalese Native troops.

Nazi planes are attacking the Free French column entering Syria. German mortars have been landed in Syria by air for use by the Vichy French troops.

(London, Military Attache, June 13, 1941)

The Allies are making little progress in Syria because of the resistance of the French and the lack of motor vehicles.

(Cairo, Military Attache, June 11)

Russia

The British War Office believes that 30 per cent of the German Army is now concentrated along the Russian border.

(London, Military Attache, June 13, 1941)

The British Military Intelligence considers the movement of German troops to the Russian border to be a part of "the steadily growing German squeeze play on Russia." There are reports again of the Romanian General Headquarters having been moved to Moldavia.

(London, Military Attache, June 11, 1941)

Iraq

No damage to the pipelines to the Mediterranean from Iraq or the Mosul oil fields has as yet been reported. The pipeline branch leading to Haifa has suffered no damage.

(London, Military Attache, June 12, 1941)
London, filed 1940, June 15, 1941.

The following is a summary of the information available at the War Office today:

1. **Eighth Army.**

2. **Alexandria.** The evacuation of civilians is still going forward, but the critical situation created by the recent heavy air raid is now under control.

3. **Middle East.** Large German patrols were active along the border, but there was no activity in the Suez area.

4. **Russian Border.** It is the opinion of the British War Office that Field Mgr. of the German Army is now concentrated along the Russian border. It is thought that German forces formerly in the north part of Norway are being concentrated on the Finnish section of the Russian border.

5. **Morocco.**

6. **France.**

7. Airplanes are attacking the east column (which is made up of Free French) with machine gun fire and bombs. This column has reached Chokwus (7).
9. It is necessary for the British to use heavy artillery fire to dispell the strong resistance put up by the French during the attack on Marj Ayoun. This town has now been captured and the Vichy forces are retreating to the north. The British force that was moving northwest along the coast line encountered heavy tanks which put up a fierce resistance. They were driven off or destroyed by artillery fire and this column was, when last reported, (night of June 11-12), at Saida. Vichy forces are also retreating to the north in this region.

4. Iraq. There are practically no operations in this theater. The British have not resistance at only one place since our last report. It is felt that the activities in Syria are helping to clear up the situation in Iraq.

Distribution:
Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
G-2
Air Corps
Cairo, filed Nile, June 11, 1941.

1. Syria. Two separate Free French Forces are proceeding towards Damascus. The eastern force was opposed at Damascus and attempted to go around the defense position by movement to the east.

2. British columns crossed the Syrian border with 4 separate forces. On the east the British and Indians met serious opposition at Merj Ayun. The Australians advancing north up the coast have now reached Sidoa with their two columns.

3. Two Vichy French destroyers off the Syrian coast attacked the destroyer components the British fleet (which consisted of 2 cruisers and 4 destroyers) and seriously damaged one destroyer without loss to themselves.

4. The invading forces are making slight progress on account of the resistance of the French and the lack of motor vehicles.

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SECRET

INFORMATION COPY

Regraded Unclassified
SECRET

Evacuated. No confirmation has been received of the statement that 16 Romanian Divisions have been stationed in the vicinity of the Russian border. British Military Intelligence considers this movement of troops as an item in the steadily growing German squeeze play on Russia.

3. Egypt. In the country surrounding Tobruk both sides have been actively patrolling. In the Sollum area Axis patrols have been pushing south of Halfaya and one German armored car has been taken by the British. The labor supply at Alexandria has become more satisfactory but the civilian population are still leaving the city.

Distribution:
Secretary of War
State Department
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Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
G-3

SECRET
Regarded Unclassified
London, filed 13:05, June 12, 1941.

The following information is submitted in reply to your cable of June 6 requesting available information on damage to Iraqi pipe lines.

1. British forces have gone as far as Kirkuk and Haditha and have not sent back information in regard to any destruction of oil fields. The entire Haditha line is under British control and has suffered no damage. Only part of the Tripoli line is under their control, but no damage has been reported on that part.

2. The statement has been volunteered by the Iraqi Petroleum Company that the facilities in the Kirkuk field are undamaged, and up until June 11 no reports had been received that the pipe lines had been damaged at any point. It may be that some slight destruction took place in the skimming in that neighborhood.

3. The War Office has no information in regard to damaged oil fields or lines.

Distribution:
Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Air Corps

INFORMATION COPY

CONFIDENTIAL
TO
Secretary Morgenthau

FROM
Mr. Kamarck

Subject: Weekly Military Report: Recent Developments in the German Army

Summary

Since July, 1940 the German Army has attained its maximum numerical strength of almost 5,000,000 men under arms. Its greatest progress, however, in this period has been in raising its technical level and increasing the quantity and quality of its mechanization.

1. The German Army of September, 1939, compares poorly with the German Army of today. At the outbreak of war, Germany mobilized 150 divisions (compared to 250-260 today). Only 90 of these, however, were regarded as fit for combat. At the same time, the Germans had only 6 armored divisions (compared to about 18 today).

2. During the fall and winter of 1939-40, intensive work was carried on in expanding and training the army. By May, 1940, the army had a strength of 190 divisions. Probably only 150 could be considered as fully suitable for active warfare. Ten of these were armored divisions. (In May, 1940 the French had 90 divisions and the British 10.)

3. Since the conquest of France, the army has been brought up to a total of 250-260 divisions, (or almost 5,000,000 men). This represents probably the peak in numerical strength which the German Army can maintain. In terms of quantity, in other words, the German Army has about reached its peak. Emphasis is therefore now being almost entirely concentrated on the technical and qualitative side.

4. The six armored divisions of September, 1939 which had grown to 10 by May, 1940, have now increased to 15, according to the best available information. While it is
more difficult to estimate the total number of tanks, the
Germans probably had around 5,000 in September, 1939, about
7,500 in May, 1940 and perhaps 15,000 at the present time.

The same process of increasing the amount of technical
equipment shown by the growth of the panzer divisions has also
been true of other branches of the army. For example, the
number of anti-tank guns per division has been increased.
The total number of motorized divisions (i.e., truck-carried)
now amounts to over 20, whereas at the beginning of the war
there were not more than 5.

5. Perhaps even more important is the process of re-
equipment with newer and better weapons that is going on con-
stantly. This is most notable in the case of the armored
divisions. The light tanks of around 12 tons are being re-
placed by medium tanks of around 20 tons and by heavy tanks
of 36 to 90 tons. A new type of vehicle, the tank destroyer,
has been added to the panzer divisions. The tank destroyers
consist of powerful anti-tank guns, mounted on a fast self-
propelled carriage, as a sort of first cousin to the tank,

Some infantry divisions are also being transformed.
For the first time tanks are being introduced directly into
the infantry divisions. A light tank company is being
incorporated in the infantry regiment. The number of
supporting weapons, mortars and artillery, in the infantry
division is being increased. Whereas before the war, 25 per-
cent of the total strength of the infantry division consisted
of rifle-men, some of the infantry divisions now have only
14 percent of rifle-men.

Throughout the army improvements in weapons are being
made. The 37 mm anti-tank gun is being replaced by a 50 mm
gun (our army is being equipped with a standard 37 mm anti-
tank gun). Self-propelled artillery is coming into use.

6. Just as the German Army has reached its numerical
maximum so likewise is there a limit to the amount of equip-
ment an army can use (disregarding reserves). In other
words, the German Army may well be approaching the saturation
point in equipment at this time. In the improvement of
quality of equipment there is, however, no immediate limit.
It is in this field that German military energies would have
to concentrate in the unlikely event of a prolongation of the
present inactive period of the war.
TO: Secretary Morgenthau  
FROM: Mr. Kamarok  
SUBJECT: Russo-German War

DATE: June 23, 1941

1. It will not be possible for several days to make any estimates of the progress of the war.

2. According to our army, the most likely German strategical plan is the following: main attack on the axis Warsaw-Moscow, secondary attack from Finland toward Leningrad, from East Prussia toward Leningrad, from Krakow on the line Lemberg-Kiev, from Romania toward Odessa.

3. The reason why Germany undertook this attack on Russia is probably to be found in the following paragraph in Hitler's speech:

"... there resulted British-Soviet Russian cooperation intended mainly at the tying up of such powerful forces in the East that radical conclusion of the war in the West, particularly as regarding aircraft, could no longer be vouched for by the German high command."

Churchill's analysis is similar: the attack on Russia is a prelude to an invasion of England. It is intended to remove the Russian threat to Germany so that preparations can go on unhampered for an invasion of England. This analysis is also concurred in by our Military Intelligence. The only disturbing factor is the fact that there is still no explanation of the Hess affair.

Incidentally, this reveals that the Germans have decided that they cannot win the Battle of the Atlantic but must invade England.

4. The campaign the Germans are now embarking upon is something entirely different from any campaign that they have ever fought before. For the first time the Germans encounter an army which is organised on the same mobile mechanised technical basis as their own. For the first time, they encounter an enemy which is numerically superior to them. In
contrast also to all the previous campaigns, a German advance of several hundred miles will not bring a victory unless the Russians commit their whole army for a decisive battle at the border.

In view of the unknown quality of the Russian army, it is not possible to make any definite predictions as to outcome. In my opinion, however, if the Germans do win the victory, for once their costs will be very high.

5. The Germans are repeating the mistake they vowed they would never make again -- carry on a two-front war.

5. Above all, the fact stands out that this is Britain's and America's great opportunity to strike at Germany with all our combined strength.
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: The Available Information on the Russian Military Power

Size of Russian Army

Nearly all sources appear to agree that Russia had a total of around 180 divisions on its western frontier. According to British Military Intelligence this total on May 19 was 184 divisions. According to the memorandum of General Keitel of June 11 to Chancellor Hitler which was just published, the total was 178 divisions. In addition, according to this memorandum of Keitel's, the Russians had 33 divisions in strategic reserve in Western Russia. (The British give no estimate for the reserve.) The total Russian western army on the outbreak of hostilities probably totaled, according to these estimates, around 210 divisions.

The highest total that any military report has given for the strength of the German army is 260 divisions. The last report on the distribution of German army (on May 19) stated that 47 divisions were located in western Europe, 13 in Scandinavia, and 4 divisions were in Libya, or a total of 64 divisions occupied, leaving at most 196 divisions for the East. It is probably not likely that the Germans could devote more than about 220 divisions to Russia. The British, indeed, stated on June 13 that only 30 percent of the German army, i.e., 80 divisions, was stationed on the Russian border.

The Russians probably, therefore, by full mobilization could outnumber the Germans. However, of the vital mechanized and motorized divisions which are included in these totals, it is not likely that more could be added on full mobilization.

According to the British, the Russians had on the German frontier on May 19, 25 cavalry divisions, 5 motorized divisions, 16 armored divisions and 7 moto-mechanized divisions (combination of motorized and mechanized elements). According to General Keitel, the Russians had on the frontier around June 11, 20 cavalry and 40 "motorized and tank" divisions (i.e., "moto-mechanized"). In reserve, General Keitel stated the Russians had 5-1/2 cavalry and 1 motorized and tank division. (The Russian cavalry divisions, like our own, are supposed to have a high degree of armored and motorized elements.)
If these estimates are correct, the Russians have available 25 cavalry divisions and from 28 to 41 motorized and mechanized divisions, giving a total of 53 to 66 Russian mobile divisions in the West.

According to the British, the Germans had in Europe 1 cavalry division (stationed in Poland) 14 armored divisions and 23 motorized divisions or a total of 38 mobile divisions. On balance, then, it would seem that in terms of quantity the Russians outnumber the Germans in the sphere of mobile divisions.

**Soviet Air Force**

There is not enough reliable information on the Russian air force available, in my estimation, to make any judgments.

**Russian Navy**

The Russian navy is an unknown quantity. In the Baltic, according to our navy, there are two rebuilt battleships of 23,000 tons each carrying twelve 12-inch guns, several cruisers, about 35 destroyers and 80 submarines. The Germans have available for the Baltic, the Tirpitz (sister ship of the Bismarck), two old battleships of 17,000 tons each used as training ships and reported to carry four 11-inch guns, two pocket battleships of 10,000 tons carrying 11-inch guns, and an unknown number of cruisers and destroyers. (This excludes the two battle cruisers and the heavy Hipper cruiser at Brest.)

In view of the proximity to land air bases, in my opinion, it is likely that the Germans will control the section of the Baltic between Germany and the southern part of Sweden. Because of the Russian talent for mining, even in this part of the Baltic the Germans may suffer inconvenience. The rest of the Baltic outside of the Gulf of Finland will probably be in dispute, at least for the first part of the war.

Our navy reports that in the Black Sea the Russians have one battleship of 23,000 tons, an aircraft carrier of 9,000 tons, six cruisers and a number of destroyers and submarines. So long as the Italian fleet does not enter the Black Sea, the Russians should have command of the sea.
Military Expenditures

The Russians engaged in an intensive armaments program in the last decade. This is best indicated by the growth of their military expenditures.

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</tr>
<tr>
<td>1934</td>
<td>5.0</td>
</tr>
<tr>
<td>1935</td>
<td>8.2</td>
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<td>1936</td>
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<td>1940</td>
<td>57.0</td>
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<tr>
<td>1941</td>
<td>70.9 (Budget)</td>
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</table>
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

TO Secretary Morgenthau
FROM Mr. Kamarock

Subject: Information on the Performance of American Planes

The War Department does not have any other information on the performance of American planes in the war beyond that furnished in the confidential reports of the military attaches which we have received.

The Curtiss P-40 and Bell P-39 have not been used in combat in England as yet.

The War Department will be glad to cable our attaches asking specifically for more information if you request it.

It might be possible to secure additional data from the British through Mr. Philip Young's office.

[Handwritten note: Kamarsk is off the coast of Canada]
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: Summary of Military Reports

Russia

(No reports have been received as yet with information on the progress of the Russo-German war.)

As late as June 21 (the day before the German attack on Russia), the British air leaders were in doubt as to the true significance of the lack of activity by the German Air Force (from May 15 to June 22). Air Chief Marshal Freeman, Air Chief Marshal Portal and Chief of Staff Ismay gave a list of possible explanations. The most probable reason given was that the German Air Force was being held in readiness for an attack on Russia. The other explanations advanced were, in order of probability:

(a) The Germans were preparing for a huge simultaneous attack on Russia and England to impress everyone with their ability to wage a two-front air war.

(b) British attacks had damaged transport facilities so badly that supplying squadrons was difficult.

(c) The German Air Force had been moved to some other theater.

(d) The British successes against night bombers had disheartened the Germans. (London, Military Attache, June 21)

Use of American Planes

Eight Tomahawks destroyed or disabled 100 trucks on the Damascus-Beirut road. (British Embassy, London telegram, June 22)

Forward troops operating in Egypt were given complete protection from axis attacks by patrols of Hurricanes and Curtiss P-40's. (London, Military Attache, June 15)
RAF Activity

(The following table is a compilation of the information contained in the reports of our military attaché in London and in the reports from the British Embassy. As a measure of current British air activity, it might be of interest.)

| Night of June | Total Bombers Used | Bombs Dropped
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<td></td>
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<td>Number of Incendiaries</td>
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<tr>
<td>16/17</td>
<td>222</td>
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<tr>
<td>21/22</td>
<td>152</td>
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</tr>
</tbody>
</table>
TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Progress of Russo-German War to Date

According to our army:

1. The situation is still not clear. However, the Germans appear to have won the all-important air superiority.

2. The big push still appears to be in the north.

3. The Germans have made some progress. The big question is whether the battle now going on is with the main Russian forces or whether it is still merely their advance guard.
TO

Secretary Morgenthau

FROM
Mr. Kamarck

Subject: Weekly Military Report: The German Panzer Divisions

(Based on various articles in the Infantry Journal, various M.I.D. Bulletins, and reports of our military attaches.)

1. History

The German panzer divisions were evolved to perform a definite mission: to exploit, in cooperation with the Air Force, a break-through in the enemy's line and so prevent a repetition of the war of attrition of 1914-18.

Perhaps the most important factor in shaping the character of the World War of 1914-18 was the continuous front extending from Switzerland to the North Sea. The existence of the continuous front made outflanking no longer possible. The only way it seemed possible to win a decisive victory was by a break-through or by attrition. The latter slow and costly method finally won the war for the Allies.

In preparing for the present war the Germans consciously attempted to take advantage of the lessons of the last war and make a successful break-through possible.

The attempts at a break-through in the War of 1914-18 showed a fairly consistent pattern. After some initial progress had been achieved, the penetration came to a halt due to several factors.

(a) The field artillery of both sides had so churned up the ground that movement forward of men and supplies was difficult.

(b) The advance had to wait for the displacement forward of the heavy guns which had small mobility.

(c) The defender was able to bring up reserves to stem the advance.
The Germans evolved an answer to the problem.

(a) Panzer divisions were created with the ability to advance rapidly over broken ground and take advantage of a penetration into the enemy line. Once in the enemy’s rear areas, the panzers acted as cavalry in smashing the enemy’s lines of communications while the infantry poured in behind to annihilate the opposing army.

(b) The German Air Force was created to act as highly mobile artillery to blast opposition out of the way as the panzer units advanced. The Air Force also performed the important mission of pinning down the enemy’s reserves to prevent him from plugging the hole in his front lines.

The German panzer divisions first appeared on the maneuvers in 1937. They received valuable experience in the march into Austria in the spring of 1938, into the Sudetenland in the fall of 1938 and into Czechoslovakia in the spring of 1939. On the march into Austria, the panzers made a poor showing. However, the defects revealed were rapidly corrected.

At the time of the invasion of Poland the Germans had 6 panzer divisions and 4 light armored divisions. (The light armored divisions had a light tank brigade carried in trucks. They proved not very successful in Poland.) By May 1940 the Germans had converted the 4 light armored divisions into regular panzer divisions giving them a total of 10 panzer divisions. At the present time, June 1941, there are varying estimates of the number of German panzer divisions. The highest estimate from a British source is 15 panzer divisions. Probably the total is from 16 to 18 divisions.

2. Description

a. Composition of a panzer division

(1) A reconnaissance group of armored cars and light tanks

(2) A shock echelon or tank brigade of 450 tanks organized in 2 regiments

(3) A ground-holding echelon or infantry motorized brigade of 2 regiments

The division has a total of 14,000 men and 3,000 vehicles.
b. Methods of Attack

Up to the present time the Germans have always thrown in their whole armored forces into the battle practically at the beginning. The battle thus begins with maximum intensity. This initial heavy blow has been sufficient in the past to win the campaign.

A holding attack is made along most of the enemy front designed to hold the front-line enemy troops at their positions. Simultaneously an air attack back of the enemy lines is carried out to tie down the enemy reserves and prevent them from going to the aid of the threatened sectors. The actual break-through is achieved by the use of infantry, artillery, aircraft and tanks working together. Once the break-through is achieved, the armored divisions pour through to strike into the enemy's rear areas and exploit the opportunity to the fullest.

Tactically the panzer divisions attack in waves. The first group of light or medium tanks attacks in a wave with a 100 yard interval between tanks. The purposes of this wave are to draw the enemy fire forcing him to disclose his position, at the same time an attempt is made to penetrate the enemy defensive position and to destroy the anti-tank and field artillery guns if possible. The second wave advances about 1,000 yards behind the first wave and makes use of the information developed by the first wave to achieve specific objectives. Subsequent waves of medium and heavy tanks then come over, reducing strong points, using Stuka support if necessary. The infantry follows to mop up and hold the ground gained.
TO Secretary Morgenthau
FROM Mr. Kamarck
Subject: Russo-German War

1. Our War Department has practically no news beyond that reported in the communiques.

2. It is believed that the failure of the Germans to give more details in their communiques is probably due to their falling behind schedule, i.e., operations are not going according to plan.

3. On the whole, the impression is that the war is still going successfully for the Germans.
Treasury Department  
Division of Monetary Research  

Date: June 28 ... 19 41  

To: Secretary Morgenthau  
From: Mr. Kamarok  

Subject: British Views on American Airplanes  

You may find of interest the appended quotations from an article on American airplanes in the London Times "Trade and Engineering" monthly magazine.
U.S. Aircraft on View
(The Times - Trade and Engineering, June 1941)

"Two hundred and fifty of Britain's leading aircraft
designers and test pilots, after spending all day at an air-
field looking over every type of fighter and bomber from
America, paid glowing tribute to the quality of the planes.
It was the biggest conference of experts ever held in Britain.
Machines from the little Tomahawk fighter to the great four-
engined Liberator bomber were lined up in three ranks."

"All Britain's aircraft industry was represented.
Executives were also present from the Ministry of Aircraft
Production factories responsible for the assembly of the
United States types."

"After lunch in the airfield messroom the inspection of
the aircraft went on through the afternoon. Before everyone
left to go on to the flying field again they were told more
about the success of the Douglas Boston "Havoc" night fighter.

"The designer of Britain's largest bomber, the four-
motored Stirling, looking into the fuselage of the giant
American Liberator bomber, described it as a nicely finished
job. He added: 'The detail work is very good indeed. We
can learn something from America over that. There seems one
fault with American planes. They do not put enough guns
into them at present. That is being put right.' Another
leading designer, who was responsible for the first monoplane
bomber brought into service with the R.A.F., was particularly
interested in the Liberator bomber -- a machine which carries
a bigger load of bombs than most other types in the world
and at a fast speed. He said that when he visited the United
States factory in 1938 the Liberator was then only on the
drawing-board. It has now been in full-scale production for
some time. Great interest was taken in the Liberator wing
design. It is called the Davis Aerofoil and produces more
lift and less drag than any other type of wing. The Bl7C
"Flying Fortress" will fly alongside our own four-engined
bombers.

"A British designer who has developed the tricycle
system of undercarriage in this war expressed his pleasure
at the admiration shown in America of this type. He said
his experience had shown that it was better to have a nose
"which was directly steerable instead of the American practice of castoring. Many of the experts expressed the opinion that British designers can help the United States in the development of operational equipment, particularly armament.

"There was high praise all round on the present smoothness of our technical cooperation with United States plane designers and builders. It has accumulating advantages in the race for air supremacy."
TO: Secretary Morgenthau

FROM: Mr. Kamarek

Subject: Use of Curtiss P-40's in the Near East

(Reports of U.S. Military Attache at Cairo, June 21, 22, 23, 24, 25)

The British are using two squadrons of Tomahawks (a squadron: 12-15 planes). One squadron is now being used in the Western Desert of Egypt and prior to this was used over Cairo and Alexandria. The other is active in the Syrian campaign.

Summary of Combat Results

| Enemy losses:          | 5 Ju-88's (German two-motor dive bombers) |
|                       | 1 Cant 1007 (tri-motor Italian bomber)   |
|                      | 2 Vichy Martin Maryland bombers          |
| damaged:              | 2 Me-109's (German standard fighter)     |

| Tomahawk losses:      | 4                                          |
| damaged:              | Minor damages to several                   |

Comments on Operation

The reported comments of the pilots express approval of the plane. One pilot stated that after the pilots have had more combat practice the P-40 will compare favorably with, if not better than, the Me-109 (the German standard fighter). The leader of the Syrian squadron stated that a Tomahawk can easily overtake a Ju-88 and then maneuver to attack from any direction desired. In attacks on the Vichy Martin Maryland bombers, the pilots stated they had no difficulty in catching the Marylands.

The Tomahawks show one serious fault according to the pilots of the Western Desert squadron. At altitudes between 15,000 and 25,000 feet, when the throttle is opened to full throttle, there is a momentary cut out of the engine. In combat, especially with an enemy in position on the tail of a Tomahawk, this trouble might be fatal. A thorough investigation has not been made to correct this as yet. It is possible that a too rich mixture may be at fault.
Better maintenance has overcome most of the minor mechanical troubles previously experienced. A few generator drive failures still occur but these are expected to disappear with the installation of new flexible rubber couplings.

In the first combat the Tomahawks engaged in, some of their guns jammed. This was due to carelessness in cleaning off the cosmoine in which the guns were packed, not adjusting the head space properly, and improperly threading the cartridges. The necessary dissemination of instructions to the squadrons on such matters was not accomplished "due to the disinterestedness usual in the case of all American supplies and to administrative awkwardness". The operation of the guns is now considered satisfactory.

Some pilots are not satisfied with the ammunition provided. They believe that having 30 caliber armor piercing and 30 and 50 caliber incendiary bullets would be more efficient in destroying enemy planes. Hits on leak-proof airplane tanks are effective only if incendiary bullets are used. Attacks on planes on the ground and motor transport would be more effective with incendiaries. Against armored vehicles the 30 and 50 caliber bullets are not heavy enough to be effective.

While hits have been sustained from machine guns on the ground, no losses have been experienced from such fire.

First Combat

Tomahawks vs. Cant 1007 (three motor Italian bomber).

One gun of the Tomahawk jammed. The Tomahawk exhausted its ammunition and the Cant 1007 escaped with its rear gunner a casualty.

Second Combat

Two Tomahawks vs. a Ju-88. The Ju-88 escaped in the clouds with white smoke coming out of one engine.

Third Combat

A Tomahawk vs. a two-engined plane (probably a Ju-88). The enemy was too far ahead. The Tomahawk fired at a range of 750 yards without effect. One gun jammed.

Fourth Combat

Two Tomahawks vs. a Cant 1007. The Cant 1007 was destroyed.
Fifth Combat

Two Tomahawks vs. a Ju-88. The Ju-88 was brought down into the sea. The Tomahawks sustained some hits.

Sixth Combat

Four Tomahawks vs. two Me-109's. Two Tomahawks attacked. Both Me-109's sustained some hits but escaped by diving down to ground or sea level.

Seventh Combat

A Tomahawk vs. two Me-109's. A Tomahawk of the preceding flight attacked two Me-109's above him. (No results are given.)

Eighth Combat

Four Tomahawks vs. a Me-109. A Me-109 dove past the Tail-end Charlie (the plane at the rear of a Vee formation which weaves back and forth observing to the rear). The Charlie chased it but it escaped.

Syrian Squadron Experience

The Tomahawks in Syria have the missions of ground strafing of motor vehicles and airdromes and of acting as a protective patrol for the Royal Navy. They have had considerable success in the ground strafing, having destroyed an unknown number of Vichy planes on airdromes without any loss.

First Combat

Seven Tomahawks vs. two Vichy Martin Maryland bombers. The two bombers were caught and destroyed.

Second Combat

Eight Tomahawks vs. eight Ju-88's of the Italian Air Force. The eight Tomahawks were on a naval protection mission against such threats as these eight Italian dive bombers represented. Three Ju-88's were destroyed and one damaged.

Third Combat

A Tomahawk vs. a Ju-88. On the same day as the second combat a Tomahawk shot down another Ju-88.
**TREASURY DEPARTMENT**

**INTER OFFICE COMMUNICATION**

**DATE** July 1, 1941

**TO** Secretary Morgenthau

**FROM** Mr. Kamarck

**Subject:** Summary of Military Reports

---

**Russo-German War**

According to the British estimate of the situation on June 26, the German Air Force appeared to have encountered greater difficulty with the Russian Air Force than it had anticipated. (London, Military Attache, June 27)

The disposition of the German Air Fleet when the invasion of Russia started, according to the British Air Ministry, was as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Planes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Germany and Poland</td>
<td>1,143</td>
</tr>
<tr>
<td>Central Germany</td>
<td>418</td>
</tr>
<tr>
<td>Romania</td>
<td>231</td>
</tr>
<tr>
<td>Extreme north including Norway</td>
<td></td>
</tr>
<tr>
<td></td>
<td>78</td>
</tr>
</tbody>
</table>

**Total immediately available against Russia**

| Greece and Crete                | 294              |
| Occupied Western Europe         | ?                |
| North Africa                    | ?                |

**Grand Total**

|                               | 2,164 /           |

(Military Attache, London, June 26)

(The last report, also from London, which we had on the distribution of the German Air Force gave the Germans a total of 4,420 planes not including the planes in Poland. The present report identifies only 2,164 planes leaving more than 2,000 unaccounted for. Probably the bulk of these are also on the Russian front.)

The British believe that the major part of the German armored force is north of the Priepet marshes. (London, Military Attache, June 27)
<table>
<thead>
<tr>
<th>Night of June</th>
<th>Total Bombers Used</th>
<th>Bombs Dropped</th>
<th>Number of Incendiaries</th>
<th>Tons of High Explosive</th>
<th>Cities Attacked</th>
</tr>
</thead>
<tbody>
<tr>
<td>22/23</td>
<td>111</td>
<td>6,700</td>
<td>86</td>
<td></td>
<td>Wilhelmshaven, Bremen, Emden</td>
</tr>
<tr>
<td>23/24</td>
<td>145</td>
<td>10,400</td>
<td>151</td>
<td></td>
<td>Cologne, Dusseldorf, Kiel</td>
</tr>
<tr>
<td>24/25</td>
<td>136</td>
<td>15,500</td>
<td>136</td>
<td></td>
<td>Cologne, Kiel, Dusseldorf</td>
</tr>
<tr>
<td>25/26</td>
<td>127</td>
<td>4,800</td>
<td>71</td>
<td></td>
<td>Bremen, Kiel, Rotterdam</td>
</tr>
</tbody>
</table>

(Military Attache, London; U.K. Embassy, London Telegrams)

(The foregoing data cover the first four nights following the German invasion of Russia. The figures indicate that the intensity of the British air raids for these four nights is about the same as before the invasion began.)

(The details of the R.A.F.'s daylight bombing activity on a typical day might be of interest.)

During the daylight of June 25, two bombing raids were carried out over occupied territory. The first raid was made by 12 Blenheim bombers and was protected by 19 squadrons of fighters (i.e., 228 fighters). The second raid was made by 12 bombers and was protected by a fighter escort of 16 squadrons (192 fighters).

On these raids the R.A.F. lost 6 Spitfires while 4 were damaged. The Germans lost 13 Me-109's, 7 more were probably destroyed and 7 were damaged. Of these Me-109's, 4 were Me-109F's, that is, latest model Messerschmidts. (London, Military Attache, June 26)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 2, 1941

TO Secretary Morgenthau

FROM Mr. Kamarock

Subject: Information on the Performance of American Planes in the War

1. In accordance with your request, the War Department has cabled our military attaches abroad, asking them to supply as much details as possible on the performance of American military planes abroad.

2. According to Colonel W. B. Smith, Assistant Secretary of the General Staff, the main reason the British have not used American planes in England is poor administration. For the operation of a particular plane, a ground crew trained in its maintenance and servicing is essential. The British have, in essence, neglected to provide the proper ground crews for the operation of the American planes. Other than inefficiency, the reason for this behavior may be, perhaps, the hope that the United States may be persuaded to take over the job of furnishing the necessary personnel. General Arnold is reported to have lost practically all patience several times with the British on this score.
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: General Summary of Hanson Baldwin's Articles on the State of the American Army

The Army is still months away from combat efficiency. Not a single division is ready yet for modern war. This is true even though all our organized divisions are already superior to the divisions we sent to France in 1917.

Tactics and Technique

The main serious fault of the American Army is that it is still being largely trained in the tactics and technique of the last war rather than those of this war. In spite of the four armored divisions, preparations seem to be more for a war of position than for a war of maneuver.

There is great emphasis on the foot soldier and perhaps not enough on the tank. Ground-air cooperation is still rudimentary. Communications are generally slow and inflexible with some exceptions. Tanks are sometimes misused and their movements lack surprise in battle.

Leadership and Staff Work

Many of the faults of the Army stem from its leadership. Some officers are excellent. There are, however, too many senior officers wedded to ideas of the past. Some of the National Guard officers owe their positions to influence rather than ability.

Reclassification of officers has been ordered but practically nothing has been done. The necessary job of weeding out the deadwood has still to be done.

Staff work is spotty with much cumbersomeness, slowness and red tape. It is, however, improving.
Equipment

The Army still has an acute shortage of modern equipment. The four divisions having priority (two Marine and two regular) are almost completely equipped but lack the modern 105 mm. howitzers. The other divisions are less well off. There are shortages of trucks, 50 caliber machine guns, mortars, and ammunition. No new medium tanks, 90 mm. anti-aircraft guns, or dive bombers have been issued as yet to service units. We have no heavy tanks and one is only now about to be tested.

There is urgent need for the development of more and better anti-aircraft and anti-tank guns, tanks with greater armor protection, self-propelled mounts for field artillery and durable battle uniforms.

In quality our new equipment is uneven, some of it being better than and some worse than the German. Our planes are as good or better but there are still "bugs" in many of the types. Our tanks are faster, about as well armed but have less armor.

Physical Condition, Morale and Discipline

The physical condition of the men is excellent though not yet at its peak. The soldiers have been toughened and can take hardships. Fifteen to twenty-five mile marches with soldiers carrying a fifty pound pack are now common. Health is good and the sick rate is low.

Basically, morale is satisfactory though uneven between units. Probably most of the soldiers are unenthusiastic about long tours of duty and do not want to fight. But if we enter a shooting war, an incentive will be provided, the lack of zeal will be overcome and an aggressive spirit will be aroused.

However, should the present period of non-belligerence continue, major problems of morale will arise. Actually, the various agencies concerned with morale have accomplished little to meet this situation.

Discipline is still slack though essentially sound. It should become satisfactory after the present tightening-up process is completed.
TO: Secretary Morgenthau
FROM: Mr. Kamarek

Subject: Monthly Report: Royal Air Force Bombing Activity in June, 1941

Comment:

1. The R.A.F. maintained a fairly even level of bombing activity throughout June. This is in contrast to May when there was a bombing lull during the last half of the month.

2. The R.A.F. paid much more attention to the industrial districts of Germany during June than it had during May.

1. Losses during June

<table>
<thead>
<tr>
<th>R.A.F. losses in bombing raids in Northern Europe</th>
<th>52</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total losses to July 1</td>
<td>746</td>
</tr>
</tbody>
</table>

2. Analysis of Targets

<table>
<thead>
<tr>
<th>Attacks during June</th>
<th>Total number of attacks to July 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>80</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>17</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>40</td>
</tr>
<tr>
<td>Oil refineries, synthetic oil plants and tank farms</td>
<td>3</td>
</tr>
<tr>
<td>Total of Above</td>
<td>140</td>
</tr>
</tbody>
</table>
### Division of Monetary Research

3. **Leading Cities Attacked**

<table>
<thead>
<tr>
<th></th>
<th>Attacks during June</th>
<th>Total number of attacks to July 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Germany</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cologne (industrial center)</td>
<td>10</td>
<td>75</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>4</td>
<td>70</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>3</td>
<td>51</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>2</td>
<td>50</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>3</td>
<td>42</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>4</td>
<td>38</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>2</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total of Above (11 Cities)</strong></td>
<td>35</td>
<td>563</td>
</tr>
</tbody>
</table>

|                             |                     |                                   |
| **B. Occupied Areas**       |                     |                                   |
| Boulogne (port)             | 7                   | 92                                |
| Calais (port)               | 1                   | 69                                |
| Ostend (port)               | 1                   | 67                                |
| Flushing (port)             | 0                   | 63                                |
| Brest (port)                | 4                   | 65                                |
| Lorient (port)              | 0                   | 48                                |
| **Total of Above (6 Cities)** | 13                  | 404                               |

|                             |                     |                                   |
| **C. Italy**                |                     |                                   |
| Turin (industrial center)   | 0                   | 11                                |
| Naples (port)               | 0                   | 9                                 |
| **Total of Above (2 Cities)** | 0                   | 20                                |
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 8, 1941

TO Secretary Morgenthau
FROM Mr. Kamarok

Subject: Summary of Military Reports

Russia

(There is practically no information on the Russo-German war not in the communiques. Neither the Germans nor the Russians have permitted our military observers as yet to visit the front.)

The British now estimate that more than 2,500 operational German aircraft are engaged against Russia. (On June 27, the British estimated this total at 1,900 planes, on June 29, at 2,000.) (U.K. Embassy, Telegram, July 4)

R.A.F. Activity

<table>
<thead>
<tr>
<th>Night of</th>
<th>Total Bombers Used</th>
<th>Bombs Dropped</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of Incendiaries</td>
</tr>
<tr>
<td>June 26/27</td>
<td>No data</td>
<td>5,700</td>
</tr>
<tr>
<td>27/28</td>
<td>145</td>
<td>No data</td>
</tr>
<tr>
<td>28/29</td>
<td>137</td>
<td>No data</td>
</tr>
<tr>
<td>29/30</td>
<td>No data</td>
<td>13,800</td>
</tr>
<tr>
<td>July 1</td>
<td>64</td>
<td>No data</td>
</tr>
<tr>
<td>1/2</td>
<td>57</td>
<td>-</td>
</tr>
<tr>
<td>2/3</td>
<td>161</td>
<td>15,000</td>
</tr>
<tr>
<td>3/4</td>
<td>163</td>
<td>15,500</td>
</tr>
</tbody>
</table>

(Military Attache, London; U.K. Embassy, London Telegrams)

(Compared to the week before the German invasion of Russia, the R.A.F. night attacks from June 22 to July 4 have decreased slightly. This is somewhat to be expected in view of the
difficulties of maintaining a sustained offensive over several weeks. There is no evidence from our data of any tapering off in the R.A.F. attacks.

### R.A.F. - Night Attacks

<table>
<thead>
<tr>
<th></th>
<th>June 16-22</th>
<th>June 22-July 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nightly average</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of bombers used</td>
<td>140</td>
<td>125</td>
</tr>
<tr>
<td>Tons of high explosive dropped</td>
<td>140</td>
<td>111</td>
</tr>
<tr>
<td>Number of incendiaries dropped</td>
<td>12,000</td>
<td>11,000</td>
</tr>
</tbody>
</table>
July 7th, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable
Henry Morgenthau, Jr.,
Secretary of the Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED JULY 20TH.

Naval. Night of July 2nd - July 2nd Tripoli (Libya) harbour and shipping bombed, one ship set on fire. Following day low level attack was carried out on shipping Tripoli (Libya) when three ships, two being estimated at 8,000 tons, were set on fire.

Air. Night July 2nd - July 3rd more than 160 tons of H.E. and over 16,000 incendiaries were dropped on targets in Germany.

Last night 165 aircraft dispatched to attack ship yards and industries Bremen, Krupp works and railways Essen. Seven aircraft missing.

Day light yesterday 39 squadrons of fighters escorted small force of bombers over France. Eleven enemy aircraft destroyed seven probably and seven damaged. We lost one bomber, six fighters.

Military. Russia. Apparently Germans have not yet reached Rumaritz. Pressure between Riga and Dvinsk towards Smolensk and Kiev continues. In the south Germans and Roumanians appear to have crossed the Pruth River. Estimated over 2,500 German operational aircraft engaged against Russia.

Libya. Enemy small enemy patrol activity.
7. **Abbyssinia**. Gondar area. Garrison Debba Tabor has surrendered. Prisoners 5,000 Italian and 1,200 native troops.

8. **Cyprus**. July 2nd. Unidentified aircraft dropped bombs on Paphos area causing no damage beyond cut telephone wires.

Treasury Department  
Division of Monetary Research  
Date: July 9, 19__

To: Secretary Morgenthau
From: Mr. Kamarck

According to an interview with Lyttelton, recently appointed British War Cabinet representative for the Near East, one of his duties will be to set up an organization of technical experts to handle American material in the Near East. This is because "... though the United States material is of the highest possible quality there was a risk of its being damaged by British personnel unfamiliar with it..."
Later in the day, Mr. Oakes, the \Text{Minister of State,} who has just arrived in London on the political and military fronts in the Middle East, paid the appearance of the United States as to the Middle East was said to have been delayed by British personnel.

Mr. Oakes explained he had non-operational problems in his\Text{ headed up as an organization and putting them into the hands of the military commanders.}
TO: Secretary Morgenthau
FROM: Mr. Kamarck

Subject: Summary of Military Reports

**Russo-German War**

The British Air Ministry believes that the Russian Air Force is operating efficiently. (This fact, if true, is most encouraging. Prior to this campaign, the Germans were always successful in annihilating the opposing air force in the first days of invasion. A blitzkrieg without complete command of the air is most difficult.)

According to British information, all German parachute troops have been removed from Greece (probably for use in the Russian campaign). (London, Military Attache, July 6)

**R.A.F. Activity**

During daylight of July 5, three Stirling bombers dropped 13 tons of bombs on the steel works at Lille. A Stirling bomber dropped 5 tons of high explosive on the Abbeville railroad yards. (The Stirlings are new British heavy bombers made by Short Bros., the builders of Short Sunderland flying boats. The bomb load of 5 tons carried by the Stirling that bombed Abbeville is to be compared to the bomb load of one ton usually carried by British bombers.) (London, Military Attache, July 6)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 9, 1941

TO Secretary Morgenthaus
FROM Mr. Kamarok

Subject: Request for Information on the Performance of American Military Airplanes

The Treasury has received all of the information available to our military attaches on the performance of American military airplanes in the war.

In accordance with your request, the War Department cabled all of our attaches asking them to report all data, not already transmitted, on the performance of American military airplanes.

Answers have now been received from all of our attaches that they do not have any information beyond that already furnished to the War Department. Full reports will be made of any further information the attaches acquire on the subject. The War Department has transmitted to the Treasury all of the information it received in the past on this subject.
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: Summary of Daily Reports

Russo-German War

(According to our Army, the front has temporarily been stabilized. However, the Germans have been able to create a bridge head across the Dnieper River to the east of Bobruisk. In the Ukraine the Germans have advanced to within 50 miles of Kiev. In northern Bessarabia, the Germans have secured a bridge head on the eastern bank of the Dniester River.

These advances, if accurate, do not represent great territorial gains, but as jumping off places for a renewed offensive are, obviously, of great significance.)

The British believe that recent German air activity in the west indicates that in order to offset the British air offensive, the Germans are withdrawing many of their fighters from the Russian front. (London, Military Attache, July 7)

On July 6, there were 500 German fighters in defensive patrols over the occupied territories (compared to 300 on July 2). (London, Military Attache, July 8)

R.A.F. Activity

(The British lately have increased the intensity of their night bombings. During the night of July 5 and 6, 246 tons of high explosive and 15,000 incendiaries were dropped. This is to be compared with a nightly average of 111 tons of high explosive and 11,000 incendiaries for the period June 22 to July 4.)
The British use in action about 1,000 fighters a day. For example, during daylight of July 7, R.A.F. fighters were used on the following assignments:

<table>
<thead>
<tr>
<th>Night of July</th>
<th>Total Bombers Used</th>
<th>Number of Incendiaries</th>
<th>Tons of High Explosive</th>
<th>Cities Attacked</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/5</td>
<td>150</td>
<td>202</td>
<td>-</td>
<td>Brest, Lorient</td>
</tr>
<tr>
<td>5/6</td>
<td>208</td>
<td>246</td>
<td>18,000</td>
<td>Munster, Bielefeld, Osnabruck, Magdeburg</td>
</tr>
<tr>
<td>6/7</td>
<td>230</td>
<td>202</td>
<td>7,700</td>
<td>Brest, Munster, Emden</td>
</tr>
<tr>
<td>7/8</td>
<td>301</td>
<td>No data</td>
<td>No data</td>
<td>Cologne, Osnabruck, Munster, Rheydt</td>
</tr>
</tbody>
</table>

Number of Fighters

- Offensive patrols over France, etc. 452
- Protection of shipping patrols 246
- Interceptor patrols over England 143
- Special miscellaneous patrols 109

Total 950

(London, Military Attaché, July 7)
TO
Secretary Morgenthau

FROM
Mr. Kamarck

Subject: Weekly Military Report: The Reliability of German and Russian Communiques

Summary

It is not possible to check the claims of casualties in men and material inflicted on the enemy. Such claims are, therefore, not considered.

Both the German and Russian communiques appear to be accurate in geographical detail. The German High Command, however, gives out very little information of this nature while the Russians are much more generous and prompt. The German communiques have proven themselves inaccurate in greatly over-stating German success. The Russian communiques, while apparently accurate as to the actual facts, dress them up with the most optimistic language and interpretation.

After almost three weeks of the Russo-German War, it is possible to make a partial check of the reliability of the communiques of the opposing armies. The statements made by non-military sources are not treated since, at best, they originate from secondary sources.

It is not possible to check the claims of casualties inflicted on men, tanks and planes of the opposing army. Both sides have been generous in ascribing high casualties to the enemy, the Germans particularly and unbelievably so.
German Communiques

The German communiques seem to be accurate in geographical details. However, in this campaign the German High Command has given out very little information as to the location of the fighting.

Some of the German statements appear to have shown themselves as false already.

On July 2, the High Command stated, "It is to be perceived more and more that the destructive battle east of Bialystok has brought a decision of world historical proportions. Unbelievable chaos has closed over the Soviet Army . . . ."

This communique definitely gives the impression, which was accepted by many military experts, that the Russian Army was through. Hanson Baldwin, for example, wrote on July 2,

"As German spearheads drove deeper into Russia yesterday and Nazi troops tightened a ring of fire and steel around encircled Soviet forces the Red Armies apparently faced a major debacle."

"Altogether the greatest battles in military history appear to be developing rapidly into a Tannenberg far more decisive and disastrous than the first." (New York Times, July 2, 1941)

On July 3, the High Command stated, "... it now appears that resistance of the Soviet Army is broken. Backward movements of the enemy have become apparent on the entire front."

On July 4, it was announced that "Pursuit of the Soviet Russian armed forces is proceeding relentlessly on the entire front . . . ."

The picture painted obviously is one of a beaten Russian Army in full retreat. The reality is that since July 3 the Germans have not made any major advance on the crucial Warsaw-Minsk-Moscow axis.

During the last week, however, the Germans have become more cautious and continue to play different variations of the theme "Operations are proceeding according to plan".
Another instance of German over-statement is the announcement on June 29: "Although greatly out-numbered the air force on June 22 won air mastery in the East and administered a destructive defeat to the Russian air force." (My emphasis, AMX) The implication is that, as in the case of Poland and France, the Russian air force had been destroyed in the first days of the war.

But on July 2, the communiqué stated, "In the fight against already considerably weakened bolshevik air force units, new successes were scored." (My emphasis, AMX) In my opinion, there is a large difference between an air force that has suffered "a destructive defeat" and one that is "considerably weakened".

**Russian Communiques**

The Russians apparently give an accurate geographical description of the war. They include far more details than the Germans do. As a result, the Russians often announce German advances before the German High Command itself does. In some cases, the Russian communiqué gives the Germans a greater gain than the German Army itself claims. For example, this was true of the German advance in Bessarabia where the Germans merely claimed Cernauti while the Russians placed the fighting at Mogilev Podolski, a much longer German advance.

While the skeleton of geographical details of the Russian communiques appears to be, on the whole, true, the flesh in which it is clothed is deceptive. The Russians, for instance, will speak of fierce resistance at some point in one day's communiqué. The next day, they will mention a Russian counter-attack against a German column at a location quite a few miles in rear of the proceeding day's position. In other words, the Russian resistance on the first day was overcome but this is not mentioned. Again, the Russians have not made any acknowledgment of the German encirclement of troops near Minsk and Bialystok, though it seems very likely that this defeat occurred.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE: July 14, 1941

TO: Secretary Morgenthau

FROM: Mr. Kamarck

Subject: Summary of Military Reports

Russo-German War

(Our Army believes that the Germans have broken through the Stalin line on the road to Leningrad.)

According to the British, the Russians, on July 10, still held the Fisherman's Peninsula (controlling the entrance to Petsamo), Murmansk and Kandalaksha. (In other words, the Germans and Finns in spite of many inspired stories had not made any progress on the northern and central Finnish front.) (U.K. Embassy, London Telegram, July 10)

According to the Air Ministry, the Germans have on the Russo-German front:

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long range bombers</td>
<td>300</td>
</tr>
<tr>
<td>Single-engine fighters (Me-109)</td>
<td>342</td>
</tr>
<tr>
<td>Two-engine fighters (Me-110)</td>
<td>279</td>
</tr>
<tr>
<td>Operational trainers used asfighters</td>
<td>150</td>
</tr>
<tr>
<td>(Total of above)</td>
<td>1,071</td>
</tr>
</tbody>
</table>

(This seems to be an under-estimate particularly in view of the British estimate of a few days ago that 2,500 German planes were being used on the Russian front. A part of the discrepancy may be accounted for by the fact that dive bombers are not included in the foregoing detailed table.) (London, Military Attache, July 10)

The Germans are using reconnaissance bombers and mine-laying planes for the night bombing of British inland cities. Operational trainers are being used by the Germans as night fighters. This information the British secured from intercepting the German radio control during the night of July 8 and 9.

(It is obvious that the Germans have concentrated most of their first-line equipment against Russia.) (London, Military Attache, July 10)
Use of Flying Fortresses

First Raid

During daylight of July 5, three B-17C's were sent to attack the naval barracks at Wilhelmshaven. One was forced to turn back because of oil trouble. The other two went on and dropped six 1,100 pound bombs from an altitude of 30,000 feet. The attack probably took the Germans by surprise as there was no anti-aircraft fire and no enemy fighters were encountered.

Second Raid

Another raid on an unspecified objective was made by three B-17C's. Two of the bombers dropped six bombs on the objective while the remaining bomber dropped four bombs on the town. As one of the "Fortress-ones" (the British name) was nearing its objective, two German fighters were encountered. The B-17C climbed to 30,000 feet and leveled off. This apparently was above the ceiling of the German fighters. One, therefore, turned away while the other when last seen was in a spin. (London, Military Attache, July 9, 10)

Africa

Freetown, British West Africa, was attacked by an airplane on the morning of July 5. (The great distance of Freetown from the nearest axis base would indicate that the plane came from a commerce raider or from a base in Vichy or Spanish territory.) (U.K. Embassy, London Telegram, July 10)
TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Summary of Military Reports

Russo-German War

According to the British Air Ministry, the Russians are still carrying on the air war vigorously. Supply and maintenance are being provided for efficiently.

The activity of the Russian Air Force has been exclusively tactical, except for a few small raids over Romania. (The Russians do not intend, evidently, to make the mistake the Allies made last spring in the West. This mistake, which the British themselves now condemn, was to bomb German towns hundreds of miles in the rear while the battle at the front was being lost for lack of air support. The Russians, in contrast, are concentrating on bombing the German troops and front areas.) (London, Military Attaché, July 11)

The British information is to the effect that the German Air Force is doing a great deal of night bombing, particularly in the Ukraine sector. (This report would indicate that the Germans have not succeeded in winning daylight command of the air.) (British Embassy, London Telegram, July 12)

Battle of the Atlantic

Although more German planes were engaged in bombing shipping, in May and June the losses of shipping due to German airplanes were less than 50 percent of the losses during February and March. (London, Military Attaché, July 11)

(Shipping losses from air attack:
February 95,000 gross tons
March 97,000
April 74,000
May 25,000
June 22,000 )

During the night of July 9 and 10, a convoy was attacked by German aircraft. One Norwegian ship of 200 tons was sunk. One British ship of 1,700 tons was damaged but arrived in port. The German communiqué reporting this attack claimed that five ships totalling 21,000 tons had been hit and sunk. (British Embassy, London Telegram, July 11)
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Purposes of Code Cubograms
Received at the War Department at 10:21, July 11, 1944.


1. British Air Activity over the Continent.
   a. Night of July 10-11. British bombers dropped 73 tons of high explosive bombs and 8700 incendiaries upon Anzio and 48 tons of high explosive bombs and 5000 incendiaries upon Caenbrook.

b. Day of July 10. The chemical works and power station at Cheseaux were attacked by three Stirlings. Twelve Blenheims attacked shipping off Cherbourg and twelve, the harbor facilities of Le Havre. A total of 650 fighters were dispatched as follows: 26% on offensive patrols, 16% on interception patrols, 30% on special patrols, and 17% in the protection of shipping.

2. Night of July 10-11. 150 bombers were dispatched to Cologne and 2 to Boulogne.

2. German Air Activity over Britain.
   a. Day of July 9. Employed were 10 reconnaissance aircraft and 10 long range bombers.

b. Night of July 9-10. The German force consisted of 10 mine-laying aircraft, 15 fighters, 50 long range bombers, and 10 reconnaissance aircraft.

c. Day of July 10. German operations consisted of reconnaissance over the English Channel and off the east coast of Scotland.


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INFORMATION COPY

Regraded Unclassified
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3. Aircraft Losses Reported.

a. British Losses. Two bombers were unreported from the raid on Cologne during the night of July 10-11. On the day of July 16th lost by anti-aircraft fire, one Blenheim over Douvres — one Stirling on the way out over the Channel coast. Ten Spitfires and eight pilots were also lost on this day and six Spitfires damaged.

b. Axis Losses. On the day of July 10th German losses were as follows: 13 He-109's and 3 Me-109's shot down, 3 He-109's and 1 He-109 probably destroyed, and 2 He-109's and 3 Me-109's damaged.

A statement has been issued by the Air Ministry to the effect that the number of tons of shipping sunk by the German Air Force has progressively decreased since last February, the losses for May and June being less than 50% of the losses during February and March, although a greater number of German aircraft were employed throughout the latter period. They also state that the activity of the Russian Air Force has been exclusively tactical, except for a few small raids over Volhynia, and that its supply and maintenance were being provided far efficiently. The Russians are said to be still carrying on the air war vigorously.

Distribution:
Secretary of War
State Department
Assistant Chief of Staff, 6-2
War Plans Division
Office of Naval Intelligence
G. H. Q.
Chief of the Army Air Forces
Secretary of Treasury
Assistant Chief of Staff, 6-5
Air Corps

CONFIDENTIAL
PERSONAL AND SECRET.

July 15th, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information copies of the latest reports received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED JULY 11th.

Naval:
"Defender" in the Mediterranean hit by bomb early 11th; engine room flooded. "Vendetta" reported taking her in tow.

2. His Majesty's Ship "Canton" intercepted German "Hermes" 7,000 tons 300 miles north west of St. Paul's Rocks on 10th. Hermes scuttled, 3 boatloads survivors picked up.

3. Night of 9th/10th Convoy off Bude attacked by enemy aircraft; one Norwegian ship 800 tons hit and sunk. One British ship 1,700 tons damaged but arrived in harbour. Illustrating the mendacious enemy claims the German communiqué of 10th stated that in this attack five ships totalling 21,000 tons had been sunk.

4. Royal Air Force:
Two forces of Blenheims with strong fighter escorts attacked shipping Le Havre and Cherbourg. At Le Havre four ships hit 6,000 ton merchant vessel 9,000 ton laden tanker 3,000 ton merchant vessel set on fire and 7,000 ton merchant vessel two direct hits. At Cherbourg 7,000 ton tanker hit, explosion caused; two merchant vessels also hit. Warehouses set alight. Tonnage mainly estimated.

5. Since February German Air Force has sunk less and less tonnage. Estimated that in May and June our losses from aircraft were over 50% less than in February and March despite increased number of aircraft operating.

6. Night of 9th/10th 75 tons of high explosives 3,700 incendiaries dropped on AACHEN 48 tons high explosives 3,940 incendiaries dropped on Gotabruke.

/7. During
7. During raids on France day/night of 10th
16 enemy fighters shot down certain, four
probable, five damaged. We lost two bombers ten
fighters, two fighter pilots safe.
8. Night of 10th/11th, 132 aircraft bombed Cologne
on previous night 6 Wellingtons from Malta bombed Naples;
Central railway station, warehouses, aircraft factories
and marshalling yards hit. Same night 24 bombers gave
Benghazi severe plastering.
9th/10th. 15 enemy aircraft dropped bombs and
mines Sues and Shalulla. Second formation bombed Abu
Suvfo.
10. Night of 10th/11th Minor attack on Ball.
Elsewhere nothing particular.
Mosul Kaneshli railway undamaged. Train service
functioning. Near the coast our troops have improved
position north of Jessine. Vichy troops hold Beit ed-
Dine. Further west we have reached the outskirts of
Beirut having captured Damascus together with 17 guns,
3 tanks, 5 armoured cars and several prisoners.
12. Russia.
German pressure continues in all sectors being
strongest in Pskov area towards Leningrad and in
Vitebsk area.
TELEGRAM FROM LONDON DATED JULY 18th, 1941

Defender sank night 10th/11th off Sidi Barrani.

2. Following air raid early 10th Suez Canal now closed.

3. Russia.

No new information. German Air Force doing much night bombing particularly Ukraine sector.


Night of 10th/11th 74 tons of E.x. over 6000 incendiarics dropped on Cologne. Bonn and Coblenz also bombed. All aircraft returned. July 11th daylight sweeps over France continued. 8 Messerschmids 100 destroyed certain, 4 probable, 3 damaged. Two Junkers 87 destroyed on ground. We lost 6 Spitfires one pilot safe.

Night of 11th/12th bombers attacked Naval base at Wilhelmshaven. All returned. Wellingtons attacked Naples night of 10th/11th. Eight tons of E.x. dropped on railway station, warehouse and oil tanks hit.

Trineli (Lil) bombed 9th by Blenheims from Malta. 6 hits scored on four merchant ships 7 to 12,000 tons. 50 Italian fighters attacked Malta 11th destroyed one Wellington on ground but Hurricanes shot down 3 enemy fighters, damaged 4. A/A guns damaged 11.

5. German Air Force: Libya and Egypt.

In attack on Abu Sueir aerodrome enemy aircraft destroyed 16 and damaged 2 of our aircraft.

6. Syria. Successful attack July 10th enabled us to establish troops, 12 bombers damaged on Beirut Road. In areas Merjayoun and North Zezain Vichy troops gained some local successes. Advance on Beirut along coastal road has made progress. Subsequent action suspended from midnight of 11/12 July. Result of negotiations not yet confirmed.
TELEGRAM FROM LONDON DATED JULY 13th, 1941.

**Naval**

British submarine has sunk Italian tanker Strombo 5,832 tons in Sea channel.

2. Port Said dive-bombed night of July 11th/12th. One Greek ship damaged, one Dutch ship 5,500 tons set on fire. Izzamia also bombed. No other serious damage reported. On July 12th Coastal aircraft dropped 3 bombs on mine sweeper about 1,800 tons off U.S.H.A.N.T. Considered certain to sink. Three Stirlings of bomber command attacked U-boat yards at LaTrait; hits in target area claimed.

Daylight July 12th. A few bombers escorted by fighters raided France. Six M.E.109's shot down certain; two probable; nine damaged. We lost 2 Spitfires. Last night over 30 bombers despatched to attack Bremen. Two missing.

3. **Iraq**

Further reinforcements have arrived.

4. **Russia**

Germans claim the occupation of Narva (90 miles west of Leningrad). Almost certain that they have advanced in the area north of Ostrov.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 15, 1941

TO Secretary Morgenthau
FROM Mr. Kamarok

Subject: Better Information on Foreign Military Developments

1. The Russian Embassy receives reports from Russia on the course of the war. Some of this information is released to the press but, undoubtedly, some of it is not. It should be possible to make an arrangement by which the Russian Embassy would provide us with a daily report on the war similar to the one furnished by the British Embassy. Since our other sources of information on the Russo-German War are very poor, such a service by the Russian Embassy would be valuable.

2. While generally through personal contacts I am able to secure necessary information from the War Department, at times this basis is inadequate.

   (a) For analyzing reports of developments in the Russo-German War, it would be helpful to have access to the information our Army may have on the Russian equipment, training, tactics and strategy. However, official authorization is necessary before I may talk to the officer in charge of the Russian section of Military Intelligence on this subject.

   (b) It is necessary, also, to get official permission to use the working reference libraries of Military Intelligence.

3. Colonel Donovan, new Coordinator of Information, may have information on developments in the war which we do not now receive. (At the same time, we undoubtedly have other data which we could furnish to Colonel Donovan's office.) Contact with this organization, therefore, might be helpful.
TO  
Secretary Morgenthau  
FROM  
Mr. Kazarek  

SUBJECT: Weekly Military Report: The British Air Offensive Against Germany  
(Based on data compiled from reports of the U.S. Military Attaché in London, and the military reports of the British Embassy)  

SUMMARY  

The R.A.F. night bombing offensive against Germany has only slightly increased since the invasion of Russia, mainly because the British were already "all-out" when the German attack on Russia began.  

The principal assistance the R.A.F. has been able to give Russia is by forcing Germany to double her defensive fighter patrols against the new British daylight offensive. The daylight offensive uses relatively small numbers of bombers (average, 20 a day) and is limited in scope by the short range of the British fighters acting as protection. Daylight attacks on targets beyond the range of the fighters must depend on surprise, thus restricting longer-range attacks to coastal objectives.  

1. Since the German invasion of Russia, the R.A.F. has only slightly increased the intensity of its night air raids. This is probably due to the fact that the British were already attacking with all-out vigor when the invasion occurred. The following table on the R.A.F. night raids bears out these conclusions:
Nightly average of R.A.F. Bombing Attacks
(Partially estimated)

<table>
<thead>
<tr>
<th>Week of</th>
<th>Average Number of Bombers Used</th>
<th>Average Tons of High Explosive Dropped</th>
<th>Average Number of Incendiaries Dropped</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1/2 to 7/6</td>
<td>30</td>
<td>35</td>
<td>2,000</td>
</tr>
<tr>
<td>June 8/9 to 14/15</td>
<td>130</td>
<td>110</td>
<td>10,000</td>
</tr>
<tr>
<td>June 15/16 to 21/22</td>
<td>145</td>
<td>145</td>
<td>13,000</td>
</tr>
<tr>
<td>Invasion of Russia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 22/23 to 28/29</td>
<td>135</td>
<td>110</td>
<td>9,000</td>
</tr>
<tr>
<td>June 29/30 to July 5/6</td>
<td>130</td>
<td>135</td>
<td>10,000</td>
</tr>
<tr>
<td>July 6/7 to 12/13</td>
<td>155</td>
<td>130</td>
<td>17,000</td>
</tr>
</tbody>
</table>

2. The R.A.F. night raids during June, except for the first week when there was bad weather, probably represent the greatest bombing volume achieved by the R.A.F. so far in the war. In the month of June, the Royal Air Force dropped 3,000 tons of high explosive bombs and 250,000 incendiary bombs on Germany and German-occupied territory.

3. While the night raids are important in injuring German production and German morale, they are not of great immediate assistance to Britain's new ally, Russia.

The principal immediate aid that the R.A.F. has given to the Russians has resulted from the R.A.F.'s day raids across the Channel. Because of these daylight attacks, the Germans have had to double their defensive fighter patrols in the West from an average of 200 - 300 a day to 400 - 600.

While the R.A.F. carried out sporadic daylight raids prior to the attack on Russia, no sustained daylight offensive was begun until after the German invasion.

The daylight raids are not comparable in size to the night raids. Where a night mission will take 100 - 200 bombers, the day mission uses 10 - 20 bombers. As far as military effectiveness against a specific target is concerned, the day bombing may compare very well with the much greater volume of night bombing.
In order to carry out the daylight raids successfully, the British have had to provide great numbers of fighters as protection for their bombers. On the average, the R.A.F. daylight attacks use a total of 20 bombers. For these bombers, 200 to 220 fighters are used for protection.

The British daylight raids are limited in scope by the short range of the British fighters. Daylight attacks, like those of the Flying Fortresses on German cities, beyond the range of the fighters have had to depend upon surprise for success. This has prevented attacks from being made on German inland cities where warning of the approach of the bombers may be given.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 16, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

SUBJECT: The Russo-German Military Situation

(According to our Army based on data secured from the
German military attache.)

1. The German drive on Leningrad has widened in scope and
now appears to be headed towards the Leningrad-Moscow railroad.

2. The attack in the center towards Moscow has made
progress. The Russians are counter-attacking in an attempt to
nip off the salient.

A little to the north and west of the Smolensk fighting,
a German armored column has pushed through the front line.

3. The Germans are approaching Kiev from the west. At
the same time, one armored column is striking around to the
north of Kiev, while another is encircling Kiev from the south.

4. In the north, the Germans and Finns are believed to
have cut the Murmansk railway at Kandalaksha and to be at the
coutskirts of Murmansk. (In my opinion, this part of the
report seems more than dubious. There is no reason why the
Finns should not have announced such successes in their
communique — and they have not done so.)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE July 22, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Summary of Military Reports

Russo-German War

German casualties are thought to be heavy and difficulties are being encountered owing to the long lines of communication and the hard wear on tanks. (U.K. Embassy, London Telegram, July 18)

A Polish railroad official reported to his government in London that ten trains of German wounded have daily passed through Krakow alone for more than a week (5,000 to 10,000 a day; perhaps the Russian claim of inflicting 60,000 casualties a day is not as exaggerated as it appeared). (London, Military Attache, July 17, 1941)

The Russian air attacks on the Romanian cities Jassy (near the Pruth River) and Constantza (oil port on Black Sea) have been very successful, reports reaching British Military Intelligence indicate. The Russian claims of damage caused to Ploesti (Romanian refining center) are believed, however, to be over-optimistic. (London, Military Attache, July 17, 1941)

Sabotage by Romanians has severely damaged bridges over three Romanian rivers causing the cessation of railroad service on sections of two railroads. Because of this, tank cars with oil for Italy have to proceed on very roundabout routes.

The government is attempting to conceal the cause of the damage by attributing it to high water.

Traffic through the Danube port of Orsova (opposite Yugoslavia) has also been interrupted. (London, Military Attache, July 17)

Western Europe

The Germans have lately attempted to supplement their over-strained land transport in Western Europe by using coast-wise shipping. The RAF has made a number of successful daylight
attacks on these ships. Over 200,000 tons of shipping has
been sunk or damaged in the attacks in the last week. A new
form of sea-level approach is being used successfully. (U.K.
Embassy, London Telegram, July 20, 1941)

Italy

The Italians have raised the Cavour battleship which was
sunk at Taranto by British torpedo planes last November. The
ship is now in a floating dry dock. (U.K. Embassy, London
Telegram, July 19, 1941)

North Africa

During July 15, two axis air formations were intercepted
by Curtiss Tomahawks and Hurricanes off the coast of Libya. Two
Me-109 fighters and six Ju-88 bombers were brought down. (London,
Military Attache, July 17, 1941)

Accumulating evidence from prisoners of war, captured
documents, etc. indicates that the British attempt to relieve
Tobruk last month caused more serious losses to the Axis forces
than had been at first believed. The offensive power of the
German forces in Cyrenaica has been seriously impaired by their
losses of tanks and trucks and by casualties among personnel.
(U.K. Embassy, London Telegram, July 17, 1941)

Six torpedo-bomber flying boats have arrived at Dakar.
Vichy started reinforcing the Dakar garrison at time of Syrian
armistice. (U.K. Embassy, London Telegram, July 18)
TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Developments in the Russo-German War (map attached)

There has been no major change in the front (lack of change shown by coincidence of green and brown lines).

1. (See encircled numbers on the map.)

There are Soviet troops (shown in blue) in rear of the Panzer columns (shown in red) west of Novgorod, Polotsk-Nevel, and south of Smolensk.

2. Russian troops have driven through the supply lines of the German panzer divisions near Kiev putting these divisions in a dangerous position.

3. Moscow was bombed again at night. This shows again that the Germans have not been able to win the important daylight command of the air and that the German claim of crushing the Russian Air Force is inaccurate.

4. and 5. Though earlier reports had indicated that the Russians had withdrawn from most of Bessarabia, they still hold the mouth of the Danube from Reni.

6. Ploesti, Romanian oil refining center, was severely damaged by a Russian air raid last night.

(Comment on the map: The map is prepared by Military Intelligence based largely on data provided by the German Military Attache. It is likely, therefore, to give the Germans somewhat more terrain than they have actually conquered.)
The war is likely to continue for some time since the Russians will keep on fighting even if driven back of the Urals.

The Russian Army outnumbers the German Army in every type of organization except motorized divisions. The Russian enlisted men and lower officers are good, the higher leaders are poor. Morale is very good. The Russians probably had 6,000 first line planes on the Western Front but these planes are not comparable to German planes.

The Russians still have almost 800,000 men in the Far East although 200,000 were recently transferred to the West.

1. Probable Course of the War

   The war is not likely to end soon, but to go on for some time. Even if the Soviet Army is pushed back of the Urals (and Colonel Guenther apparently believes that they will), the Russians will continue fighting. They will not be a major threat to the Germans but they will constitute a drain and a nuisance to the German Army.

2. Size of the Army

   The Russian Army has a total of 366 divisions (compared to the German Army's 250-260 divisions). This would give the Russians from 5,500,000 to 6,000,000 soldiers in the ranks.
The Army is backed up by an armed population of many millions. The Russians have pursued a policy designed to give arms and training to practically everybody old enough to carry a rifle.

3. Composition of the Army

<table>
<thead>
<tr>
<th>Type</th>
<th>Russian</th>
<th>(German)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infantry</td>
<td>225</td>
<td>(200-210)</td>
</tr>
<tr>
<td>Cavalry</td>
<td>50</td>
<td>(1)</td>
</tr>
<tr>
<td>Armored</td>
<td>38</td>
<td>(18-20)</td>
</tr>
<tr>
<td>Motorized</td>
<td>16</td>
<td>(23)</td>
</tr>
<tr>
<td>Air (Russian is one-fifth the size of an Infantry division)</td>
<td>39</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Total number of divisions of all kinds</strong></td>
<td>368</td>
<td>(250-260)</td>
</tr>
</tbody>
</table>

According to this data, the Russians are superior in numbers to the Germans in everything but motorized divisions.

The Russians have a somewhat larger infantry division than the Germans do. Where the Germans have 16,000 men in a division, the Russians have 18,000 to 20,000. This makes the Russian division more bulky and harder to handle.

Estimates on the number and kind of Soviet tanks vary. Based on the number of Russian armored brigades, the Russians had almost 20,000 tanks at the start of the invasion. About 50 percent of these were light tanks, 40 percent medium, and 10 percent heavy.

4. Personnel

The enlisted men are good defensive fighters. They have excellent physiques and are easily led. Because of the large number of young men of conscript age every year, the Russians have been able to satisfy their military needs with the cream of each age class. The soldiers are accustomed to and can bear physical discomfort and hardships which the soldiers of no other European nation other than possibly Germany could endure.
The lower ranks of officers are good. They make good company officers. The higher commanders are poor leaders. They lack ability and education. The handling of large units of armies or groups of armies is, consequently, faulty.

The higher officers have been trained in defensive strategy and tactics rather than in the offensive science of war.

The system of political commissars is bad since it results in divided command. It inhibits the growth of group loyalty among the officers for it checks the development of wholesome inner loyalties and reliance on the group.

5. Morale

Morale in the army is very good. Skillful government propaganda has done an effective job in this respect.

6. Air Force

The Russians had at the time of the invasion 9,500 first line planes. Only 7,000 of this total could be classed as first class planes. 1,000 of these are in the Far East, leaving 6,000 for the Western Front. (The Germans have shot down well over 7,000 of this total of 6,000 to date.)

One-third of the Russian Air Force consists of pursuit planes, one-third, light and medium bombers, and one-third are heavy bombers.

The Russian planes are not comparable in quality either to the German or American planes. They would not stand sustained use in combat as well as German or American planes would.

7. Forces in the Far East

The Russians still have almost 500,000 men in the Far East. Ten divisions (or 200,000 men) have been recently moved to the Western Front but they still have for defense against the Japanese, the following:

<table>
<thead>
<tr>
<th>Division</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infantry divisions</td>
<td>20</td>
</tr>
<tr>
<td>Cavalry</td>
<td>10</td>
</tr>
<tr>
<td>Armored</td>
<td>5</td>
</tr>
<tr>
<td>Motorized</td>
<td>2</td>
</tr>
<tr>
<td>Air</td>
<td>7</td>
</tr>
<tr>
<td>Grand Total, all divisions</td>
<td>44</td>
</tr>
</tbody>
</table>
TO Secretary Morgenthau
FROM Mr. Kamarck
Subject: Developments in the Russo-German War (34th day) (Map attached)

The German advance has been definitely checked in the Leningrad and Smolensk sectors. Some of the Russian troops encircled northwest of the Smolensk sector have cut their way out.

1. (See encircled numbers) Hard fighting in great depth (70 to 100 miles) is going on in the Smolensk sector.

2, 3. The Soviet Army is still holding its position across the lines of communication of the German panzer columns around Kiev. Operations of both sides are slowed down by the weather.

4. Moscow and Odessa were bombed again. In the case of Moscow, the Germans stated individual attacks took place. This would imply that the previous mass attacks were too costly.

(The map has been corrected in the Northern Finnish sectors. Here it had previously inaccurately shown German and Finnish advances across the Murmansk Railroad. I feel that the extent of the advance here is still exaggerated.)
TO  Secretary Morgenthau
FROM  Mr. Kamarok

Subject: Developments in the Russo-German War (End of the Fifth Week)
        (Map attached)

A. Information from Military Intelligence

   There are no major changes anywhere along the front. The second big German offensive of the war appears to have been halted with no large German gains.

   1. (See encircled numbers) A large group of Russians are still encircled between Pakov and Luga.

   3. The German Panzer thrust that broke through beyond Smolensk has been cut off from its following infantry by a Russian counter-attack. (This has also been admitted by the German official military spokesman in Berlin.)

   3. The situation around Kiev is chaotic. The Germans are supplying their advanced armored divisions from the air. They are making an attempt to encircle part of the Russian army south of Kiev. At the same time, the Russians are still maintaining their position across the rear of some of the German Panzer columns.

   4. Moscow was bombed again last night by "a few" German bombers, according to the German official spokesman.

   5. The Nazis made a slight advance towards Odessa in the South and are now about 50 miles away (the outline map is slightly deceptive, making Tiraspol look closer to Odessa than it is.)

B. Summary of Military Reports

   The members of the British Air Mission to Russia report that in all respects the Russian Air Force is surprisingly efficient. All airdrome facilities are underground except for the control tower. Returning from Murmansk, they report that the Russian Air Force has gained air superiority at Murmansk. The ground situation in this area is a stalemate.
between two Russian divisions and two German divisions. From the Russian viewpoint this situation is satisfactory.

(London, Military Attache, July 23, 1941)

The Moscow raids have caused little material or moral damage.

(U.K. Embassy, London telegram, July 23, 1941)
TO  
TREASURY DEPARTMENT  
INTER OFFICE COMMUNICATION  
DATE July 26, 1941  

TO Secretary Morgenthau  
FROM Mr. Kamarck  

Subject: Colonel Famonville's comments on the Russian Army  

1. The Course of the War  

The Russian Army will not collapse the way the French  
Army did. The war will continue for quite a while, the dura- 
tion partly depending upon how much assistance is given by 
the United States and England. The Russians will continue 
to resist the Germans as long as they have arms with which 
to fight. It will not be possible for the Germans to wipe 
out all armed resistance even if they should succeed in 
breaking the back of the Russian Army.  

The outcome of the present campaign hinges on the 
ability of the Russians to take the punishment resulting 
from the German Panzer break-throughs.  

The Russians are making a virtue out of necessity when 
they state that they let the armored divisions go through in 
order to nip them off. Actually, they would much rather 
prefer to stop the Panzers at the front line. Since the 
armored divisions do succeed in biting their way through, 
the Russians attempt to close the gap and then destroy the 
armored divisions while they are isolated from the German 
infantry.  

The Germans have been able to punch their way through 
the Russian lines for three reasons: (a) From the many cam-
paigns the Reichswehr has been in, it has developed perfect 
teamwork and coordination, and it now functions like a beauti-
ful machine. (b) The Germans have been on the strategic 
offensive, enabling them to pick for attack the soft spots 
in the Russian line. (c) They had the initial advantage of 
surprise.  

2. The Military Forces  

The Russians are equal to or superior to the Germans 
in quantity of material and number of soldiers. The Russian 
equipment is probably not quite as good as the German
equipment is. The Germans have now been able to draw not only on the experience of their many campaigns but also the genius of the armament industries of all Europe.

The Soviet Army more than any other army, save the German Army as a result of its campaigns, is accustomed to living in the field with the attendant hardships. The Russian Army has been brought up to endure hardships which would break the heart of any other army. In a word, the Russian soldiers and officers are tough. The Russian Air Force is fairly efficient and well-trained. The Russians are very air-minded.

Perhaps as a result of the purges, there is no doubt of the loyalty of the officers towards the regime. The officers are good, including the higher commanders, and are well-trained. They unquestionably lack the polish and brilliance of French officers, for example, but they make good leaders.

The Russians do not have nor do they wish to have a Napoleon. They make no attempt to develop individual genius but concentrate on coordinated teamwork and group leadership. The Russians work and think in terms of masses.

Morale is superlatively good.

Perhaps more than in any other nation Russian military strategy is closely integrated with national policy. That policy has been one of keeping Russia at peace so that the work of internal construction could go on. Russian higher military strategy has therefore been basically defensive. In the spring and summer of 1939 in their negotiations with the Allies, the Russians regarded as a defense essential the gaining of Baltic positions which would serve to absorb the shock of the initial German blow. The British could not see this necessity. The Russians, therefore, adopted a policy of buying peace and time from Hitler while they strove to strengthen their military position at all costs. This policy won them almost two years for intensified preparations for the attack which came a month ago.
No major changes have occurred in the front.

1. (See encircled numbers) In spite of German attempts at renewed pressure, the drive on Leningrad has made no progress. Although the Germans are within 100 miles of the city, it is not being bombed.

2. (Ostrov) The Russians are attempting to cut off a German spearhead and relieve the encircled Russian troops between Pavlov and Luga.

2. (Smolensk) The Soviet Army is maintaining its position across the lines of the German advance towards Moscow.

2. (Zhitomir and Kiev) Situation here remains chaotic and unclear.

3. (West of Moscow) The Russians have encircled the Eighth German Armored Division which is fighting desperately to escape.

4. (Bessarabia) Situation remains unchanged.

(It is necessary to emphasize that the major source of the information charted on the map is the German military attaché in Washington. As a result, the map always errs on the German side. For example, it would appear from the map that the Finns have cut the Murmansk railroad at Petrozavodsk, east of Lake Ladoga, whereas the Finns have just announced that they are "threatening" to cut the railroad.)
There have been no major changes in the location of the front. The situation is, however, now characterized by heavy Russian counter-attacks on most sectors of the front.

1. (See encircled numbers) The German advance on Leningrad has been stalled.

2. (Newel) A large-scale Russian attack is taking place.

2. (East of Smolensk) The number and scope of Russian counter-attacks is increasing. It is believed that the bulk of the German Eighth Armored Division, which was encircled, has been destroyed.

2. (Zhitomir) The Russian thrust across the rear of the German panzer columns is holding its ground and increasing its strength. Heavy rains in this area have slowed up all movements.

3. (Southern Ukraine) No changes of importance have occurred.

4. Moscow and Odessa were bombed again.

(In my opinion, the position of the front line shown on the map as being east of Smolensk is inaccurate. The German armored column which penetrated beyond Smolensk is shown as being cut off. Under these circumstances, the actual infantry front line is behind the column not ahead of it as the map shows.)
Russian counter-attacks are increasing in intensity along the whole front. On the whole, the Russians appear to have seized the initiative temporarily.

1. The outcome of the battle north and south of Smolensk continues to be in doubt. The Germans are threatening to encircle a force of Russians east of Smolensk.

2. The Russians have achieved considerable success around Kiev. The threatened, or actually achieved, encirclement of Kiev no longer exists. Some of the advance German Panzer units beyond Kiev have been destroyed, others have been driven back. The Russians are strengthening their position across the rear of the remaining units. The Germans have, on the other hand, succeeded in encircling some Russian troops south of Kiev.
TO Secretary Morgenthau
FROM Mr. Kamarok
Subject: Developments in the Russo-German War (40th day)
(Map attached)

There are still no major decisive changes along the entire front.

1. A joint Anglo-Russian action against Petsamo and Kirkenes, Norway (a few miles to the west of Petsamo) appears to be in process. (Success in this venture would make much safer the Murmansk route for help to Russia.)

2. The Germans have not made any further progress towards Leningrad.

3. The Russians have encircled a German armored force east of Smolensk. The Germans are trying vigorously to free this force and beat off Russian attacks at the same time.

4. The penetrations of German armored units immediately north and south of Kiev no longer exist. Some units were destroyed, others retreated to the safety of German lines. The dangerous threat to Kiev has thus been dissipated for the time being. Farther south of Kiev, some Russian troops near Berdichev are still encircled by the Germans.
TO: Secretary Morgenthau  
FROM: Mr. Kamarok  
DATE: July 31, 1941  
SUBJECT: Summary of Military Reports

Russo-German War

The British are asking for information from their Moscow Military Mission to be used for long-term planning based on the estimate that the war will last two to three years more. (London, Military Attache, July 25, 1941)

Collier, Air member of the British mission to Russia, states that the German airplanes are avoiding combat with the Russians (the Russians have repeatedly made such a claim). The Russian planes drop grenades which explode when German tanks run over them. In areas where tanks are operating, incendiaries are dropped to start fires. The primary purpose of the German raids on Moscow is an attempt to weaken Russian morale. (Colonel Famonville has known Collier for many years and says that any report Collier makes is absolutely reliable.) (London, Military Attache, July 24, 25, 1941)

It is claimed that the morale of the Germans near Pakov (the thrust towards Leningrad) is not good. (London, Military Attache, July 24, 1941)

Four groups of long-range bombers were recently withdrawn from Western Europe to be used against Moscow. They may have carried a full load of bombs during this transfer. (London, Military Attache, July 25, 1941)

The British Air Ministry believes that most of the German bombers attacking Moscow have to operate from airdromes about 250 miles in rear of Smolensk (i.e., to the west of Minsk). The Do-17 is not believed to have sufficient range to be used in this attack and, therefore, Ju-88's and He-111's are being used. (London, Military Attache, July 25, 1941)
The Romanian oil fields at Ploesti have been bombed by the Soviet Naval Air Force from the Crimea. (This partly explains why, with the bulk of the Russian Air Force being used tactically directly against the German Army, strategic raids are made on the Romanian oil supply. These raids serve to bring into action the Naval Air Force which might otherwise be idle. The rest of the explanation for the raids must be the Russian belief that oil represents the weakest link in the German situation.) (London, Military Attache, July 28, 1941)

Use of American Planes

Three Flying Fortresses flying at an altitude of 32,000 feet attacked Brest during daylight of July 24. Two German fighters tried to attack the Fortresses but could not make contact (perhaps due to the high altitude). Twelve 1,100 pound bombs were dropped and one direct hit on the Gneisenau was claimed. (London, Military Attache, July 25, 1941)

A Focke Wulf (long-range four-motor bomber) was shot down off Achness Head by a Lockheed Hudson on convoy duty. (London, Military Attache, July 24, 1941)

New British Weapon

In a British raid on Mannheim on the night of July 23/24, the British, in addition to dropping the usual high explosive bombs (including one huge two-ton bomb) and incendiaries, dropped 44 tons of deckards. These are described as being tins of incendiary material designed to ignite automatically at a set temperature. (These are probably cousins to the incendiary leaves dropped on forests and crops. This is the first mention I have seen anywhere of "deckards". While we do not know, as yet, anything of the efficiency of this type of incendiary, there is a virtue in change itself. The counter-incendiary squads are trained to meet one type of bomb and introduction of a new type catches them off guard. It also takes time to develop measures and train men to meet the new threat.) (London, Military Attache, July 25, 1941)

R.A.F. Activity

About the heaviest daylight raid of the R.A.F. to date occurred on July 24. On this date, the R.A.F. sent out 529 fighters on offensive patrols and a total of 149 bombers on bombing raids (compared to the usual daylight raid of 20-30 bombers). (London, Military Attache, July 25, 1941)
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London, filed 1940, July 25, 1941.

1. **British Air Activity over the Continent.**

2. **Night of July 24-25.** On Hamburg were dropped 36 tons of high explosive bombs, including one 4000 pound bomb, 150 incendiaries and 44 tons of deckards, which are time of incendiary material designed to ignite automatically at a set temperature. Four tons of high explosive bombs were dropped on Le Havre. Three tons of the same were dropped on Göttingen. The target area at InFalisse received 40 tons of high explosive bombs and 1000 incendiaries. On Frankfurt were dropped 26 tons of high explosive bombs and 1100 incendiaries.

3. **Day of July 25.** A total of 931 fighters were dispatched as follows: 104 on interception patrols, 163 in the protection of shipping, 113 on special patrols, and 550 on offensive patrols. Brux was attacked by three B-17’s flying at 32,000 feet. Two German fighters tried to engage them but were unable to make contact. Twelve 1100 pound bombs were dropped, with one direct hit on the Gnome claimed. 78 Wellingtons and 18 Hampden bombers, with fighter escort also attacked Brux. Two direct hits on the Gnome were claimed. During this raid considerable German fighter activity and heavy antiaircraft fire were encountered. The docks at Cherbourg were attacked by 33 Heinkels with fighter escort. Eight Halifax bombers, of a total of 13 dispatched, attacked the Schwerver. 25 tons of high explosive bombs were dropped from 15,500 feet, one direct hit being claimed. All aircraft returning from this mission had been hit by German fighter and antiaircraft fire.

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Regraded Unclassified
2. **Night of July 24-25.** The bomber effort was as follows:

- 47 to Helin, 64 to Kiel, 1 to Wilhelmshaven, 4 to Rotterdam, and 6 on sea

mining missions off the Frisian Islands. The majority of these aircraft

attacked their primary objectives, the weather being good.

3. **German Air Activity over Britain.**

4. **Day of July 24.** 10 reconnaissance aircraft and 10 long

range bombers were employed.

5. **Night of July 24-25.** German forces consisted of 5 reconnais-

ance aircraft, 20 long range bombers, 10 mine layers and 10 fighters.

6. **Day of July 25.** Defensive patrols were maintained in the

area of Calais. Meteorological reconnaissance flights were also made at sea.

7. **Night of July 24-25.** In the area of the east coast of

England and Scotland small scale activity took place.

3. **Aircraft Losses Reported.**

4. **British Losses.** During the day of July 24 British losses were

as follows: 9 Wellingtons and 2 Hampdens unreported and 1 Wellington

crashed in the sea near Plymouth in the raid on Brest, 5 Halifax bombers

lost during an attack on the Schaarbeek, 7 Spitfires, 1 Hurricane, and

7 pilots destroyed and 1 Hurricane damaged. During the night of July 24-25

British bomber losses were as follows: in the raid on Helin, 2 unreported,

1 plane forced landing and 1 crashed, the crews of which lost two aircraft

are safe; and in the raid on Kiel, 2 bombers unreported.

5. **Axis Losses.** For the day of July 24 German losses were as

follows: at Brest, 12 He-109's and 1 He-109W shot down, 1 He-109 probably

destroyed and 3 He-109's damaged; during the raid on the Schaarbeek, 3 He-

109's and 1 He-109W destroyed, 1 He-109 probably destroyed and 1 He-109W
damaged; and by fighter action, 11 Me-109's and 1 Me-109F destroyed, 4
Me-109's and 1 Me-109F probably destroyed and 4 Me-109's, 1 Me-109F and 1
Ju-88 damaged. Another Ju-88 was shot down by antiaircraft fire and a
third crashed for an unknown reason.

It is believed by the Air Ministry that most of the German
aircraft engaged in attacking Moscow are required to operate from airfields
located approximately 250 miles to the rear of Ravelmark. The He-111 is
not thought to have sufficient range to be used in this attack and that
Ju-88's and He-111's are being used. It is also believed that the four
groups of long range bombers recently withdrawn from the western theater
and used against Moscow may have carried a full load of bombs during the
transfer.

Collier, one of the members of the British air mission in Moscow,
reports that Russian aircraft drop grenades which explode when run over by
the German tanks, also that they start fires by dropping incendiaries in
the areas where the tanks are operating. Long term planning, estimating
that the war will last 2 to 3 years more, is the basis upon which all in-
formation is requested from the British Mission in Moscow.

Distribution:
State Department
Assistant Chief of Staff, O-3
War Plans Division
Office of Naval Intelligence
C. H. G.
Chief of the Army Air Forces
Secretary of Treasury
Assistant Secretary of War for Air
Assistant Chief of Staff, O-3
Air Corps
London, filed 23:00, July 24, 1943.

1. **British Air Activity over the Continent.**

   a. **Night of July 23-24.** Ten tons of incendiary incendiaries were dropped upon the forest area south of Bussel and 95 tons were dropped upon the forest area between the Rhine and the Moselle by one Wellington bomber participating in a raid on Frankfurt. Thirteen tons of high explosive bombs and 1,700 incendiaries were dropped upon Marseilles and 14 tons of high explosive bombs, including four 1,000-pound bombs, and 1,300 incendiaries were dropped on Frankfurt.

   b. **Day of July 23.** A total of 973 fighters were employed as follows: 133 on interception patrols, 224 on offensive patrols, 79 on special patrols, and 150 in the protection of shipping. Three of six Stirlings dispatched, attacked La Falaise, where they were opposed by 6 He-119's and heavy antiaircraft fire from 2 flak ships and the Schammesdort. One of the bombs dropped was seen to burst on or near the Schammesdort. One bomber attacked the wrong position and another returned to its base because of engine trouble. Bisselair bombers were dispatched as follows: 11 to attack a convoy off the Hague, which was prevented by German fighters; 6 to attack shipping near Brunsline, the results of an attack by them on two motor vessels not being observed; 6 attacking the area of St. Omer, the results of which were not determined; and 6 to the power station at Haingurde, 3 of which attacked without success, protective antiaircraft fire being very heavy.
e. Night of July 23-24. During this night bombers were sent out as follows: 33 to the industrial center of Frankfort, 31 to the Memel industrial center, 3 to the docks at Le Havre, 3 to drop leaflets over Lille, Rouen and Paris, 1 on sea mining off the Frisian Islands, 30 to attack the Schermerhorn at Le Havre, and 3 to attack the docks at Ostend. Due to darkness and the glare from searchlights 14 of the aircraft sent to attack the Schermerhorn were unable to find it and dropped their bombs over its estimated position.

3. Aircraft Losses Reported.

a. British losses. During the day of July 23, six Klakaimis, 1 Stirling, 1 Hurricane, 14 Spitfires and 9 pilots were lost. During the night of July 23-24 one bomber crashed in England and one failed to return.

b. Axis losses. 2 He-109’s were shot down from a Stirling bomber at Le Havre the day of July 23. Additional losses on that day were as follows: 10 He-109’s shot down, 2 He-109’s probably destroyed, and 9 He-109’s and one He-59 damaged. A Focke Wulf was also shot down off Adames Head by a Nissen Bomber on convoy duty.

4. British Air Activity, Other Theatres.

a. Mediterranean Theatre. A convoy of motor vessels off Pantelleria was attacked by Royal Air Force planes from Malta on July 23. Serious damage was done by direct hits on 4 vessels totalling 24,000 tons in the convoy.

A report has been received at the Air Ministry from its mission in Moscow to the effect that the German raid on that city during the night of July 23-24 was on a fairly heavy scale, having as its chief objective the railway center. Antiaircraft fire and searchlights were used extensively. The operations were started soon after dusk and continued until dawn.
German aircraft are avoiding combat with the Russians, according to a
report by Collier, a member of the mission mentioned. He also states
that the primary purpose of these raids is to affect the Russian morale.

It is claimed that the morale of the Germans in the area of
Pskov is not good. The only change in the battle front has occurred
at the point of the Soviet attack. Kiev is not thought to be
immediately threatened.

Eleven Axis aircraft attacked the Abu Sada airbase, near
Ismailia, during the raid on June 12. The fires which were
started destroyed 9 P-40's and 17 British aircraft and damaged 40 Bristol
engines and 20 aircraft. This equipment had not yet been dispersed, it
only having arrived the night before.

Distributions:
State Department
Assistant Chief of Staff, G-2
Air Plans Division
Office of Naval Intelligence
G. H. C.
Recruiting Section
Intelligence Branch
Chief of the Army Air Forces
Secretary of Treasury
Assistant Secretary of War for Air
Section FILE
Collection Section
British Empire Section
Assistant Chief of Staff, G-3
Air Corps
Central European & Balkan & Near East Sections
Eastern European Section
Western European Section

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Paraphrase of a Code Cablegram
Received at the War Department
at 8148, July 28, 1941.

London, filed 1300, July 28, 1941.

1. British Air Activity over the Continent.
   a. Day of July 27. A total of 274 fighters were employed as follows: 53 on interception missions, 172 in the protection of shipping, 13 on special patrols, and 36 on offensive patrols. Bad weather prevented the dispatch of bombers.
   b. Night of July 27-28. The bomber effort was as follows: 3 to Rouen, 14 to Dunkirk, 16 to St. Nazaire, 3 to Le Havre, 20 on sea mining off Lorient, and 3 to drop leaflets over Limoges and Paris.

2. German Air Activity over Britain.
   a. Day of July 26. 10 reconnaissance aircraft and 10 long range bombers were used.
   b. Night of July 26-27. 5 fighters and 5 long range bombers were dispatched.
   c. Day of July 27. Reconnaissance of shipping was carried out. Patrols of defensive fighters were also maintained.
   d. Night of July 27-28. Operations on a somewhat larger scale were made against London. No serious damage was done during this minor raid.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE August 1, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Weekly Military Report: Review of the Russo-German War

After six weeks of the Russo-German War, there are a number of salient facts which appear evident. While further German successes are quite likely, the central fact of the absence of a decisive German success to date appears clearly.

1. The Russian Army is considerably stronger than most of the American military experts had given it credit for being. Colonel Betts, Situation Officer of Military Intelligence, admits this frankly. He also states that if the Russians continue to do as well, up to August 15 as they have up to now, the Germans will not win a decisive success on the Russian Front this year.

2. The Germans are considerably behind schedule, whatever that schedule may have been. This is admitted even by Colonel Guenther, Chief of the Russian Section, M.I.D., who is most optimistic about the progress of the German Army.

3. Since the initial German victory over the Soviet frontier forces and an advance of several hundred miles in the first two weeks, the Germans, as yet, have not made any further significant major gains nor won any further major successes.

This situation, after 41 days of fighting, is to be contrasted with the Campaign in the West where it took only 38 days to achieve a complete victory over Holland, Belgium and France.

While it is not possible to make a definitive table, on the basis of the information available, on the actual progress of the German Army, the following appears to be fairly accurate:
Period

First two weeks
Second two weeks
Last two weeks

German Progress

- 350 miles advance, progress on all fronts
- 125 miles advance
- Penetration of 50-75 miles in Smolensk sector. No major gains elsewhere. Armored thrusts around Kiev thrown back.

4. The German offensive was supposedly timed to capture the wheat crops while they were still green and, so, unburnable. The Ukrainian wheat harvest is now on and still under Russian control.

5. The German Air Force appears not to be as strong numerically as has been sometimes asserted. It is able to operate on only one major front at a time. For the Russian campaign, it has had to move most of its squadrons from Western Europe and from Italy, Sicily and North Africa.

6. The Russian Air Force is still in existence and, according to the British, is operating efficiently.

7. Russian resistance rather than weakening appears to have strengthened. To some extent, the Soviet Army has been able temporarily to seize the initiative along some of the sectors of the front. Russian counter-attacks have characterized the fighting for the past week with considerable success won around Kiev.

8. Russian morale is still high and the Germans are now even admitting it is unshakable. According to Peters, New York Times correspondent in Berlin, "The Russians, the Germans reiterate, simply do not fight according to the European rules of war. Regardless of the hopelessness of their positions, they allow their troops to be slaughtered rather than capitulate, it is asserted."

"... they continue, there is no possibility of the Russian Armies suffering from a collapse of morale, 'because all the prerequisites of such a collapse are lacking' as a result of the bestializing of the individual that has occurred in Russia." (New York Times, July 31, 1941)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE August 4, 1941

TO Secretary Morgenthau
FROM Mr. Kamarok

Subject: Summary of Military Reports

Distribution of German Army on Russian Front

<table>
<thead>
<tr>
<th>Front</th>
<th>Infantry, including Mountain and S.S.</th>
<th>Armored</th>
<th>Motorized</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Finnish</td>
<td>9</td>
<td>1/2</td>
<td>1</td>
<td>10 1/2</td>
</tr>
<tr>
<td>Northwest (Leningrad)</td>
<td>15</td>
<td>5</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Central (Moscow)</td>
<td>27</td>
<td>7</td>
<td>9</td>
<td>43</td>
</tr>
<tr>
<td>Southwest (Kiev)</td>
<td>43</td>
<td>6</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>Romania (Odessa)</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>109</strong></td>
<td><strong>20 1/2</strong></td>
<td><strong>18</strong></td>
<td><strong>147 1/2</strong></td>
</tr>
</tbody>
</table>

(Moscow, Military Attache, July 30, 1941)

(This data, which is probably incomplete, would indicate that the Germans are using at least 3,000,000 men. The number of divisions on the Kiev front (55) would indicate that this may be an even more important offensive than the Moscow thrust (43 divisions).)

Use of American Planes

During daylight of July 26, two Flying Fortresses were sent to attack Emden. Due to bad weather, one could not attack its target. The other dropped four 1,100 pound bombs which exploded in the northwest section of the city. Smoke followed the explosions. No German fighters or anti-aircraft fire were encountered during the raid. (London, Military Attache, July 27, 1941)
On July 23, in the first British Navy Mediterranean operations since Crete (May 30), nine Grummans were used as a combat patrol. While belonging to the Fleet Air Arm, they were operated from shore bases. All nine Grummans were on patrol four hours and operated satisfactorily. Two planes were lost when they ran out of gas due to the excessively high speed of the patrol. (Cairo, Military Attaché, July 26, 1941)

The most satisfactory fighter in the Middle East is the P-40. One squadron of P-40's in Syria secured 24 victories and lost only three planes; one by anti-aircraft, one in combat, one through engine failure at the take-off.

The British assign a squadron of P-40's and one of Blenheim bombers to the divisions making the main attack. The P-40's are used for attacks on ground personnel and motor transport. They are also used for protection of the Blenheims on bombing missions.

The P-40 squadron leader likes the 50 caliber machine gun and recommends that it replace the 30 caliber guns on the P-40. (Cairo, Military Attaché, July 24, 1941)

Singapore

The R.A.F., at Singapore, is still short of reconnaissance bombers and pilots. On July 24, 1,500 men belonging to the administrative and maintenance staffs of the R.A.F. arrived, but no pilots. The War Ministry has not as yet allotted any reinforcements to meet the French Indo-China situation. (Singapore, Military Attaché, July 25, 1941)

Comments on the Syrian Campaign

The French had superiority in the air in number of planes and, generally, in better performing planes. This was, however, offset by the British system of air attacks on ground forces. The Vichy French did not use fighter protection for their ground strafing attacks and suffered losses in consequence.

In one case, six British Gladiator fighters, with a speed of 245 miles per hour, shot down two out of five Dewoitine 220's which have a speed of 360 miles per hour. The Dewoitines were attacking British ground troops without an umbrella of fighter protection at higher altitude. (The 360 miles per hour speed of the French fighters shows that these are good planes. The Spitfire only does about 365 miles, both the Hurricane and P-40 are, I believe, slower.)
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(Cairo, Military Attache, July 26, 1941)

The most satisfactory fighter in the Middle East is the P-40. One squadron of P-40's in Syria secured 24 victories and lost only three planes; one by anti-aircraft, one in combat, one through engine failure at the take-off.

The British assign a squadron of P-40's and one of Blenheim bombers to the divisions making the main attack. The P-40's are used for attacks on ground personnel and motor transport. They are also used for protection of the Blenheims on bombing missions.

The P-40 squadron leader likes the 50 caliber machine gun and recommends that it replace the 30 caliber guns on the P-40.

(Cairo, Military Attache, July 24, 1941)

Singapore

The R.A.F., at Singapore, is still short of reconnaissance bombers and pilots. On July 24, 1,500 men belonging to the administrative and maintenance staffs of the R.A.F. arrived, but no pilots. The War Ministry has not as yet allotted any reinforcements to meet the French Indo-China situation.

(Singapore, Military Attache, July 28, 1941)

Comments on the Syrian Campaign

The French had superiority in the air in number of planes and, generally, in better performing planes. This was, however, offset by the British system of air attacks on ground forces. The Vichy French did not use fighter protection for their ground strafing attacks and suffered losses in consequence.

In one case, six British Gladiator fighters, with a speed of 245 miles per hour, shot down two out of five Dewoitine 220's which have a speed of 360 miles per hour. The Dewoitines were attacking British ground troops without an umbrella of fighter protection at higher altitude. (The 360 miles per hour speed of the French fighters shows that these are good planes. The Spitfire only does about 365 miles, both the Hurricane and P-40 are, I believe, slower.)
The French did not machine gun air personnel who came down in damaged airplanes or by parachute. The Germans, who are very anxious to destroy all flying personnel, have done so. (Cairo, Military Attache, July 24, 1941)
CONFIDENTIAL

Paraphrase of a Code Telegram Received at the War Department at 9:22, July 30, 1941.

Mосcow, filed 10:40, July 30, 1941.

The Soviet say they have located the following German units:

<table>
<thead>
<tr>
<th>Front</th>
<th>Inf.</th>
<th>Mtn.</th>
<th>Armored</th>
<th>Art.</th>
<th>Trenches</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia (Odessa)</td>
<td>15</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Southwest (Kiev)</td>
<td>37</td>
<td>2</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>West (Kiev)</td>
<td>24</td>
<td>0</td>
<td>7</td>
<td>9</td>
<td>3</td>
<td>43</td>
</tr>
<tr>
<td>Northwest (Leningrad)</td>
<td>15</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Finland</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>96</td>
<td>4</td>
<td>20 ½</td>
<td>18</td>
<td>7</td>
<td>147 ½</td>
</tr>
</tbody>
</table>

United States Mission has reached Moscow.

Moscow cable of July 26, 1941, should read German divisions instead of Russian.

Distribution:
- State Department
- Secretary of Treasury
- War Plans Division
- Office of Naval Intelligence (2)
- C. N. C.

CONFIDENTIAL  
INFORMATION COPY

1. British Air Activity over the Continent.

a. Night of July 25-26. The following numbers of tons of high explosive bombs and numbers of incendiaries were dropped upon the targets named: 25 and 4700 on Hamburg; 14, including one 4,000 pound bomb, on Berlin; and 45 and 3000 on Hanover.

b. Day of July 26. A total of 297 fighters were employed as follows: 64 on interception patrols, 133 in the protection of shipping, 23 on special patrols, and 57 on offensive patrols. Two Flying Fortresses were sent to attack Hanen. Bad weather prevented one of these from attacking its target. The other attacked, dropping four 1100 pound bombs which were seen to explode in the north-west section of the city. Smoke followed the explosions. During the raid no German fighters or anti-aircraft were encountered.

c. Night of July 26-27. The unfavorable state of the weather prevented the dispatch of bombers.

2. German Air Activity over Britain.

a. Day of July 25. 15 reconnaissance aircraft and five long range bombers were employed.
CONFIDENTIAL

b. Flight of July 25-26. 20 fighters and 5 reconnaissance aircraft were used. No bombers were dispatched.

c. Day of July 26. In addition to defensive fighter patrols there was reconnaissance activity against shipping.

d. Flight of July 26-27. A few night fighters operated off the East Coast. There were also small scale operations against shipping.

3. Aircraft Losses Reported.

a. British losses. During the day of July 26 no British planes were lost.

b. Axis losses. One He-109 was shot down on July 26.

An attack was attempted July 26 on Grand Harbar (G-2 note, Valletta, Malta) by light Axis naval forces. The fighter escort of these forces was attacked by British fighters and three Axis aircraft shot down, with the loss of one British fighter. Four E-boats were also destroyed by the British fighter aircraft. The Axis forces lost eight 2-man submarines and five motor torpedo boats before any of these could reach their objectives. The attack was repulsed.

The Scharnhorst has returned to Brest, according to photographic reconnaissance reports.

Distribution:
State Department
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence (2)
Office of the G. C.
Chief of the Army Air Forces

CONFIDENTIAL

Regraded Unclassified
Süre, signed 15th, July 26, 1941.

The first operations of the Navy in the Mediterranean were made by the 15th. American fighter planes attacked German installations on the coast, and several of the German ships were damaged.

The planes were lost when they ran out of gas due to the excessive high speed of the pursuit.
Cairo, filed July 25, 1941.

Lessons in Air Operations - Syria

One squadron in Syria equipped with P-40s scored 35 victories with losses of only three airplanes; one shot down by antiaircraft, one in combat and one upon in an attack off when the engine failed. The most satisfactory fighter in the Middle East is the P-40.

The successful fighter not only has dive attack and the best tactics are attacking from above, above, anti-aircraft or from front avoiding all antiaircraft. In the Western Desert the Italians sacrificed their advantage of speed by turning to turn and engage the slower British fighters.

All of the fighter squadrons agree in the recommendation that the engines of armor piercing explosive, ball and incendiary ammunition should be equal for machine guns in airplanes. The P-40 squadron leader likes the fifty caliber gun and recommends that they be increased in number at the expense of the thirty caliber gun.

It has been proven that aircraft on the ground, light armored vehicles, and motor transports can be destroyed by using incendiary machine gun fire. Throughout the Syrian operations fighters have been used for this type of mission and the superiority, in performance and strength, of Vichy French airplanes was abated by ground strafing. The Vichy French did not use fighter protection for the ground strafers and in one case a formation of 6 fighters with a speed of 200 forty-five miles per hour shot down two Hevelings Five Twenty's, with a speed of three hundred sixty miles per hour, out of a formation of five that were ground.
steaming at a reduced speed. The British have found it to be necessary to have fighter protection for ground steaming fighters at all times. The upper or unstepping flight should remain about five thousand feet above the protected flight. It is also essential that the protected flight and the ground steaming airplanes be under a unified control. The British assign one squadron of P-40's and one of Mustangs to the divisions charged with the main effort. The P-40's are used for ground steaming personnel and aerotransports. They also were used for the protection of the Mustangs upon blanketing missions against gas engines, crew rooms, and ammunition deports. The latter airplanes is not well designed or equipped to perform the blanketing missions of blocking crew rooms, and attacking gas positions. The latter and fighter squadrons are supposed to have twenty-one airplanes each, but twelve were the most that were dispatched on any mission during these operations.

For your information and guidance there is a definite mission to be fulfilled by low flying airplanes. These planes should be massed below and in front. A fighter having a high compression engine should not be massed in ground steaming missions.

The reason we very anxious to destroy all flying personnel, therefore, it is not practicable to try to use low flying airplanes in any theater of operations regardless of how much protection is offered by anti-aircraft. The French did not machine-gun personnel who were forced down by damaged airplanes or perished as the Axis have done. From Collins.

DISTRIBUTION:
        State Department; Assistant Chief of Staff; G-6; War Plans Division;
        Office of Naval Intelligence; G. H. C.; Chief of the Army Air Forces;
        Secretary of Treasury; Assistant Secretary of War for Air; Air Corps.
Singapore, filed July 23, 1942.

The following personnel have been added since Report Number 91:

July 26 - 1930 for administration and maintenance, no pilots.

The R. A. F. is still short of pilots and better reconnaissance planes. The War Ministry has not as yet made any allotment of reinforcements to meet the situation in French Indo-China.

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G-4
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Secretary of Treasury
Assistant Secretary of War for Air
Air Corps

SECRET

INFORMATION COPY

Regraded Unclassified
TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Summary of Military Reports

Russo-German War

The British Air Mission in Moscow reports that the Russians believe that they have the situation in hand in all areas.

The Russians are using a radio direction finder of a type similar to the British but not quite so far developed. They can detect German aircraft at a distance of 60 miles but cannot determine their height. (London, Military Attache, August 1, 1941)

On the extreme north and the northern front near Salla, the Finns estimate their own casualties at 15,000 and the Germans' at a minimum of 6,000. (There are probably 3 Finnish divisions and 1 German division on these fronts. This would mean a casualty rate of about 25 to 30 percent. For the entire Russo-Finnish War the Finns admitted only 20,000 killed, i.e., a total of 60,000-80,000 casualties.) (U.K. Embassy, London Telegram, August 2, 1941)

The British believe that German casualties are certainly heavy but that no estimate is possible at present. (U.K. Embassy, July 30, 1941)

Battle of the Atlantic

The British Air Ministry is informed from a reliable source that the Nazis expect to have the battle cruiser Gneisenau in service in October. The Gneisenau is now having extensive repairs made on her engines. (London, Military Attache, August 1, 1941)

A Hurricane catapulted from a British naval vessel shot down a German Focke Wulf bomber shadowing a convoy bound for England about 450 miles west of Land's End. (This report illustrates the German method of attacking a convoy. The long-range four-motor Focke Wulf plane picks up a convoy at sea and...
shadows it behind cloud cover, if possible. It then summons a
submarine pack to the attack. Closer to the Continent, German
bombers are called in.

This is the first mention that the British are using
Hurricanes catapulted from naval vessels as a counter to the
German technique of attack.) (U.K. Embassy, London Telegram,
August 4, 1941)

German attempts to mobilize shipping of occupied territories
are being seriously impeded by shortage of skilled personnel.
The release of 10,000 prisoners of war, French naval officers
and men, may be intended to relieve pressure in manning the
French mercantile marine. (U.K. Embassy, London, Telegram,
August 1, 1941)

Iceland

On July 30 German aircraft carried out a complete
reconnaissance of Iceland. (U.K. Embassy, August 1, 1941)

Mediterranean

During the night of July 27/28 in the Gulf of Euphemia,
Calabria (on the northern side of the toe of the Italian boot),
a British submarine wrecked a train which piled up and burst
into flames. (U.K. Embassy, London Telegram, August 4, 1941)
CONFIDENTIAL

Paraphrase of a Code Cablegram Received at the War Department at 14:36, August 1, 1941.

N/A London, filed August 1, 1941, London, filed 20:35, August 1, 1941.

1. British Air Activity over the Continent.
   a. Day of July 31. A total of 302 fighters were dispatched as follows: 61 on interception patrols, 163 in the protection of shipping, 18 on special patrols and 67 on offensive missions. Four Blenheim bombers dispatched with an escort of fighters to attack shipping off Le Touquet returned to their bases. Some results were obtained in an attack by Spitfires on German E boats. A number of E boats were also damaged during an attack by Hurricane fighters.

2. German Air Activity over Britain.
   a. Day of July 30. 10 reconnaissance aircraft and 5 long range bombers were employed.
   b. Night of July 30-31. Dispatched were 10 fighters, 8 long range bombers and 5 reconnaissance aircraft.
   c. Day of July 31. In the area of Calais, defensive patrols were maintained. A few reconnaissance operations were carried out over the east coast of England.
   d. Night of July 31-August 1. One German plane flew over the northeastern counties, while a few others operated over the East Anglian coast and off Cornwall.

3. Aircraft Losses Reported.
   a. British losses. Two Hurricanes and 1 Spitfire were missing from fighter operations on July 31. The same day a Hurricane made a forced landing in France and a Spitfire crashed.
CONFIDENTIAL

in the sea, the pilot of which was rescued.

b. Axis losses. In the day of July 21 there were as follows: 2 He-109's and 1 Do-17 shot down. 1 He-109, 1 J-88 and 1 Do-17 damaged.

c. British Air Activity, Other Theaters.

a. North African Theater. 4 S-79's were damaged during an attack by the Royal Air Force on the airfield at Serrac, Lybia.

The Air Ministry has information from a source which it considers reliable to the effect that the Axis expect to have the Gaiscman in service in October. It is believed that this cruiser is now having extensive repairs made to her engines, previously reported as damaged. According to photographs taken of the Gaiscman on July 25, the superstructure known to be in position on June 29 has been removed.

The German Air Force bombed Pavlovsk (Ukraine, south of Kiev) without success on July 21. The Russians are using an early type of British radio direction finder. With these they can detect German Aircraft at a distance of 60 miles, but cannot determine their height. The Air Ministry has also received a communication from its mission in Moscow to the effect that the Russians believe that they have the situation in hand in all areas.

Distribution:
State Department, Assistant Chief of Staff, G-8,
War Plans Division, Office of Naval Intelligence, G. N. G.,
Chief of the Army Air Forces, Secretary of Treasury,
Assistant Secretary of War for Air, Assistant Chief of Staff, G-8,
Air Corps.

CONFIDENTIAL

INFORMATION COPY

Regarded Unclassified
BRITISH EMBASSY,
WASHINGTON.

August 5th, 1941.

PERSONAL
AND
SECRET.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.
On July 22nd British submarine near Samos shelled Calique flying German flag and carrying German troops and set her on fire. During night of July 27th/28th in Gulf of Buphens, Calabria British submarine wrecked train which piled up and burst into flames. Same submarine p.m. July 26th sank escorted laden merchant vessel of 4,000 tons south bound ten miles north west of Paolo.

2. P.M. Hurricane catapulted from Naplin shot down Focke Wulf shadowing homeward convoy about 450 miles west of Lands End. Another enemy aircraft shot down August 3rd by fighters whilst attacking convoy south of Orfordness. Free French pilot of coastal command fired cannon shells into S boat off Gris Nes and left her in flames.


4. At Reggie Calabria. On August 3rd two Beaufighters attacked by thirty aircraft with cannon and N.C. fire, claimed many destroyed and severely damaged.

5. Night of August 3rd/4th. Aircraft sent to Hanover and Frankfurt railway centres. One missing. At Hanover large fires started and burst of one 4,000 pound bomb caused blackout of Flak and searchlights over approximately 2 square miles for more than five minutes.

/ 6. Russia.
6. **Russia.**

   Fighting continues Valikie Lake (half way between Lake Ilmen and Smolensk) and east and south of Smolensk. No progress towards Kiev but thrust south eastwards in Uman area continuing.

7. ** Tobruk.**

   Night of August 1st/2nd one of our patrols located enemy minefield and removed 80 mines.

8. **Axis oil tankers.** It is estimated that during July enemy (including French) tankers sunk or claimed as total loss in Mediterranean and on West Atlantic coast amounted to about 60,000 tons. During these operations Axis must have lost in addition some 80,000 tons of oil.
Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,
Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.
Telegram from London dated August 2nd.

1. **Naval.** During night of July 31st/August 1st "Maori" bombarded seaplane slipway and buildings Porto Conte Sardinia. "Gosack" fired star shells over Alghero while nine Swordfish attacked aerodrome.

2. **Naval.** Night of August 1st and 2nd two British ships bombed off Sunderland. Both reached harbour under own steam. One British ship 4,000 tons bombed and sunk off Blyth.

3. Shipping losses for last week greater than previous week, but still below average.

4. On August 1st three Blenheimis attacked tanker about 1,500 tons, a freighter and auxiliary ship off Ostend. Tanker set on fire and left sinking. Night of July 31st/August 1st one 5,000 ton merchant vessel in convoy off Pantelleria believed hit by torpedo when 3 Swordfish attacked. One July 26th British submarine sank 6,000 tonsaden merchant vessel escorted by one destroyer off Trapani.

5. Night of July 31st/August 1st 6 aircraft attacked Malta. Damage slight.

6. **Tobruk.** July 31st. Successful patrol activity. Some damage and several casualties from bombing.

7. **Frontier.** Evening of July 31st shelling forced our forward patrol to withdraw.

8. **Russia.** Peace fighting all fronts. Some German progress in Estonia and on the Kareina-Nessavodsk front. Finns estimate own casualties 15,000 and German minimum 5,000 in extreme north of and near Bells. Finns claim capture of Olonets and advance towards Petrosavodsk. Further German advance towards Tallin reported. No advance towards Leningrad from Southwest, Samolank Sector, no German advance. Situation confused but Germans probably retain initiative. Southern front, Germans probably nearing Dnieper River 60 miles south of Kieff.
BRITISH EMBASSY,
WASHINGTON, D.C.

July 31st, 1941.

Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Very sincerely yours,

Halifax

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
Telegram from London dated July 20th 1942.

1. NAVAL.

Two attacks made on outward bound convoy west of Spain. Four small merchant ships have been sunk in 8 attacks, 7 are unaccounted for but are not overdue. German claim is grossly exaggerated.

2. Enemy air attack on east coast convoy night of July 29th/30th resulted in 1 British ship of 2,671 tons bombed and sunk off Tyne.

3. ROYAL AIR FORCE.

Bad weather curtailed Royal Air Force operations.

4. On July 28th, 8 Beaufighters attacked 4 aerodromes in Sicily 8 on each target. 54 aircraft believed destroyed, in addition number were damaged.

5. MILITARY.

Russia.

Confused situation Smolensk area. German progress east and alleged mopping up operations east of Smolensk meeting fierce resistance. Possible that Germans forced on the defensive here some sectors.

Some German progress east of Mogilev but Russians attacking towards Rogachev. In the Ukraine Germans advancing halfway between Kiev and Odessa against vigorous resistance. Further south the Germans are across the Dnieper almost down to Tiraspol. German casualties certainly heavy but no estimation possible at present.
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM RECEIVED FROM LONDON AUGUST 1ST, 1941

NAVAL

In addition to losses previously reported one Dutch ship, one British ship both medium size and one unknown ship were torpedoed in outward bound convoy attacked west of Spain.

2. In operations by Naval Aircraft against Pteame and Kirkness on July 30th 4 enemy aircraft destroyed certainly, two probably. A shadowing aircraft destroyed on the following day.

3. German attempts to mobilise shipping of occupied countries being seriously impeded by shortage of skilled personnel. Some small French vessels seized at the time of occupation being handed back to French. Release of 10,000 prisoners of war, French naval officers and ratings may be intended to relieve pressure in warning French mercantile marine.

4. Weather again prevented operations by the Royal Air Force. Night of July 31st-August 1st. Enemy activity over the United Kingdom still very slight. On July 30th German aircraft carried out complete reconnaissance of Iceland.

5. SYRIA

All Vichy French artillery and fixed defences also most of machine guns and mortars now in our possession. We are occupying chief ammunition depots and other ammunition in possession of troops is being handed over satisfactorily.

6. TURKEY

Water supply unaffected by damage reported in telegram of July 31st.

7. INDIA

July 31st we establish patrols at the Eight (120 miles north west of Enfra) and Sarsota (20 miles further West).

8. TURKEY

No change reported.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE August 7, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

Subject: Monthly Report: Royal Air Force Bombing Activity in July, 1941

Comment

1. The all-out level of R.A.F. bombing activity is indicated by the number of bombers lost in July - 132. This probably represents a fourth or a fifth of the total British first-line bomber strength in Western Europe at the beginning of July.

2. The R.A.F. has resumed bombing of Italian targets. In addition to three raids on Naples, a number of raids on widely scattered towns in Sicily and southern Italy were undertaken. These attacks originate from the base at Malta which has recently received bomber reinforcements.

1. Losses

<table>
<thead>
<tr>
<th>Losses during</th>
<th>Total Losses in Raids to</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>August 1</td>
</tr>
<tr>
<td>R.A.F. bomber losses in bombing raids in northern Europe</td>
<td>132</td>
</tr>
</tbody>
</table>

2. Analysis of Targets

<table>
<thead>
<tr>
<th>Attacks during</th>
<th>Total Number of Attacks to</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>August 1</td>
</tr>
<tr>
<td>Ports, docks, shipping</td>
<td>80</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>73</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>19</td>
</tr>
<tr>
<td>Oil refineries, synthetic oil plants and tank farms</td>
<td>6</td>
</tr>
</tbody>
</table>

Total of above | 178 | 2,968

Regraded Unclassified
### Leading Cities Attacked

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during July</th>
<th>Total Number of Attacks to August 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Germany</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cologne (industrial center)</td>
<td>5</td>
<td>80</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>5</td>
<td>75</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>3</td>
<td>54</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>2</td>
<td>52</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>1</td>
<td>46</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>4</td>
<td>46</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>1</td>
<td>44</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>1</td>
<td>39</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total of Above (11 Cities)</strong></td>
<td>27</td>
<td>590</td>
</tr>
<tr>
<td><strong>B. Occupied Areas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boulogne (port)</td>
<td>4</td>
<td>96</td>
</tr>
<tr>
<td>Ostend (port)</td>
<td>7</td>
<td>74</td>
</tr>
<tr>
<td>Brest (port)</td>
<td>5</td>
<td>70</td>
</tr>
<tr>
<td>Calais (port)</td>
<td>1</td>
<td>70</td>
</tr>
<tr>
<td>Flushing (port)</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>Lorient (port)</td>
<td>1</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total of Above (6 Cities)</strong></td>
<td>18</td>
<td>422</td>
</tr>
<tr>
<td><strong>C. Italy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naples (port)</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total of Above (2 Cities)</strong></td>
<td>3</td>
<td>23</td>
</tr>
</tbody>
</table>
While the actual fighting in the Russo-German War deservedly is receiving most attention, there are certain repercussions outside of Eastern Europe of the War which are of importance.

1. The German campaign against Russia has already taken so long and used up so much of the German manpower and materiel that a successful invasion of England is no longer a likely possibility this year.

2. It is fairly certain that the British will not lose the Battle of the Atlantic. The growing participation of the United States in the war with the rapidly increasing volume of American shipbuilding can be reasonably counted on as a guarantee of ultimate British success in this battle. The Germans, I believe, also recognized this after the failure of the Bismarck. The invasion of Russia is a clear indication of the Nazi conclusion that they were not winning the Battle of the Atlantic.

3. While the German Air Force is busy fighting in Russia, Great Britain has been able to regain control of the Central Mediterranean. In the latter part of the winter, the German Air Force based on Sicily was able to interdict the flow of British supplies through the middle part of the Mediterranean Sea. With the withdrawal of the German planes, the British have again been able to send convoys from Gibraltar to Suez through the Mediterranean.

4. The preoccupation of the Nazis with Russia enabled England successfully to complete her conquest of Syria. The immediate danger to Suez from Asia Minor, which was so acute after the Nazi conquest of Crete, has thus been overcome. In addition, Suez has been provided with another strip of buffer territory against future attacks.

5. England, now, has been free from any large-scale bombing attacks for almost three months (since May 15). The resulting increase in production and improvement in morale must be of significant help to the British war effort.
6. Japan has become, at least temporarily, very vulnerable to American and British pressure. Japan has been isolated from any possible aid from her European partners. At the same time, both England and the United States have their hands comparatively free to deal with Japan, if they so choose.
Russo-German War

The Russian High Command expects gradually mounting pressure on the Kiev and Leningrad fronts as the Smolensk area quiets down. The Germans are slowly being forced on the defensive around Smolensk where they are starting to entrench.

There is fierce fighting on the Kiev sector and the Red Army has fallen back a short distance at two points. The retirement, however, is well contained and the Germans are losing great numbers of men.

According to trustworthy sources the Russians expect Odessa and Nikolaev (town somewhat to the east of Odessa) to fall before encircling axis forces. The Russians are evacuating the defending garrisons from these cities to the Crimea.

The Red Air Force has been scoring effectively against enemy ground forces in the Leningrad area where the Germans, receiving reinforcements, are increasing pressure. The situation has not passed beyond Russian control, however.

Up to August 1, the Germans are estimated to have had 750,000 casualties. (London, Military Attaché, August 6)

Far East

British Military Intelligence estimates that most of the 500,000 reservists and new troops called up in Japan during June and July have now been transferred to Korea and Manchukuo to man the new formations possibly being organized there. The present strength of Niipponese troops there, less the recent arrivals, is believed to be 15 divisions (i.e., 300,000 men, with the new arrivals making a total of 500,000 men). Reports further indicate the mobilizing of another 200,000 Japs from the older classes for servicing of the rear army installations. (London, Military Attaché, August 5)
(The Russians probably have 500,000 to 750,000 soldiers in the Far East. The Japanese reinforcements are probably to take advantage of any opportunity to invade Siberia in the case of a German victory. In any case, the Japanese are effectively aiding the Germans by tying down the large bodies of Russian troops in Siberia which are needed on the German front.)

Spain

Food and fuel supplies are being built up in Spanish Morocco. Around Tarifa, (on the Spanish side of the Strait of Gibraltar), a submarine and mosquito fleet base is being built. Munitions and sundry other materials of war are being carried out of the Balearic Islands to the Canaries, Spain proper and Morocco. (London, Military Attache, August 5)

(It appears that Spain is making preparations for entering the war.)

German Battle Cruisers

The Schambhorst has received hits on her bridge and starboard propeller shaft, according to the Air Ministry, and will probably not be fit for action within six weeks. The battle cruiser is in drydock at Brest. (London, Military Attache, August 5)

Use of American Planes

During daylight of August 2, Kiel was bombed by two B-17's from 32,000 feet. Four 1,100 pound bombs were dropped near the docks in the southern end of the city. Another B-17 attacked Bremen from 32,000 feet dropping eleven 100 pound bombs. Slight damage was done to this aircraft during an attack by two Me-109's at 22,000 feet, 25 miles north of Cromer (on the British coast south of Hull). Results of the raids were unobserved. (London, Military Attache, August 3)
SECRET

July 21st, 1941, August 6, 1941.

1. Gradually increasing pressure on the River and Ennepe Line at the Menin-Antwerp sector seems to have slowed up by the German High Command. The 8th Army has fallen back a short distance at two points as fierce fighting stirs the Menin sector, but this retreatment is well contained and the Russians are losing great numbers of men.

2. Regarding Smolensk and Nikolay to still before attacking into forces, the Russians are receiving dwindling quantities from their Allies in the Crimea, according to trustworthy sources which also indicate of their falling into German hands.

3. Further information from the Russian intelligence states that the 1st Air Arm has been moving extensively against many ground forces in the Eastern area since the Germans, encroaching reinforcements, are adding pressure. The situation has not passed beyond German control, however. Mostly the defensive is being rigged upon many new and defensive lines where they are starting to entrench.

4. Figures quoted on Russian casualties to August 1st at 300,000.

Distribution:

Army Air Forces

ADDITIONAL DISTRIBUTION:

Chairman of Joint Chiefs of Staff, S-3
Director of Naval Intelligence

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Regraded Unclassified
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Envelopes of Code Confidential
Received at the War Department
at 10:31, August 3, 1943.

London, filed 16:10, August 3, 1943.

1. British Military Intelligence estimates this date that most
of the 500,000 reservists and new troops called up in Japan during June and
July (as reported in my dispatch of August 3) are now transferred to Korea
and Manchuria to man the new fortifications possibly being organized there.
The present strength of Japanese troops there, less the recent arrivals, is
believed to be 15 divisions. Reports further indicate the mobilizing of
another 200,000 men from the older classes for duty with service of the
rear installations.

2. The situation in unchanged in the Libyan theatre.

3. The assembling of food and fuel supplies observed in Spanish
Morocco was contained in the report of a generally trustworthy source which
further told of activity around Tarifa in the building of a submarine and
mango fleet base. The report likewise speaks of munitions and many
other materials of war being carried out of the Biscutie Islands to the
Canaries, Spain proper, and Morocco.

4. With the exception of some gains south of Elov in a push
southeast through the tank sector, news is lacking of any Axis advance
against Russia. Reports reach British Military Intelligence of continued
fighting northeast of Novi around Velikiye Laki and of the prolonged action
cast and south of Smolensk.

Distribution:
Secretary of War; A. G. of S., G-2; State Department; WDF; OKH; G.H.Q.;
Chief of Staff; Chief of Army Air Forces; Under Secretary of War; Secretary
of Treasury; A. O. of S., G-3.

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Paraphrase of a Code Cablegram
Received at the War Department
at 6:05, August 5, 1941.

M/A London, filed August 5, 1941.

London, filed: August 5, 1941.

1. British Air Activity over the Continent.
   a. Night of August 3-4. The following numbers of tons of
      high explosive bombs and numbers of incendiaries were dropped upon the
      objectives named: Frankfort, 25 and 2600; Calais, 8 and 600; and
      Hanover, 26 and 3600.
   b. Day of August 4. A total of 376 fighters were employed
      as follows: 71 on interception patrols, 177 in the protection of
      shipping, 25 on special patrols, and 65 on offensive missions. Un-
      favorable weather again prevented any bombing operations.

2. German Air Activity over Britain.
   a. Day of August 3. Ten reconnaissance aircraft, 15
      long range bombers were employed.
   b. Night of August 3-4. 10 reconnaissance aircraft, 15
      fighters and 15 long range bombers were used.

3. Aircraft Losses Reported.
   a. British losses. On August 4, one Hurricane and pilot
      were lost.
   b. Axis losses. No losses were reported for August 4.

4. British Air Activity, Other Theaters.
   a. North African Theater. The airbase at Benghazi was
      attacked by 18 Wellington bombers during the night of August 3-4.

CONFIDENTIAL
Benghazi harbor was mined by 5 Wellingtons.

5. **Axis Air Activity, Other Theaters.**
   
e. **Middle Eastern Theater.** Suez was attacked without serious results by 10 Axis aircraft the night of August 3-4.

The Scharnhorst has received hits on her bridge and starboard propeller shaft, according to a report obtained by the Air Ministry, and will probably not be fit for action within six weeks. This vessel is in the drydock at Brest.

**Distribution:**
- State Department
- Assistant Chief of Staff, G-2
- War Plans Division
- Office of Naval Intelligence
- G. H. Q.
- Chief of the Army Air Forces
- Secretary of Treasury
- Assistant Secretary of War for Air
- Air Corps
- Assistant Chief of Staff, G-3
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Paraphrase of Code Cabled Message

Received at the War Department
at 12:07, August 5, 1941.

London, filed 19:29, August 5, 1941.

1. British Air Activity over the Continent.

2. Day of August 4. A total of 205 fighters were dispatched as follows: 86 on interception patrols, 54 on interception patrols, 17 on special patrols and 178 in the protection of shipping. Brest was bombed by 2 B-17's from 11,000 feet. These aircraft dropped four 1,000 pound bombs near the docks in the southern end of the city. Another B-17 attacked Brest from 11,000 feet, dropping eleven 1,000 pound bombs. Slight damage was done to this aircraft during an attack by 2 Re-109's at 12,000 feet, 15 miles north of Brest. The results of neither of these raids were observed. One patrol vessel was sunk during an attack on shipping in the area of Cherbourg, Toulon and Marseilles by 27 Heinkel bombers.

3. Night of August 4-5. A total of 205 bombers were dispatched as follows: 50 to the shipyards at Brest, 50 to the railway yards at Marseilles, 50 to the Cherbourg docks, 50 to Berlin, and 5 on sea mining missions off Brest.

4. German Air Activity over Britain.

5. Day of August 5. Minor damage was done to shipping in an attack by 10 reconnaissance aircraft and 5 long range bombers.

6. Night of August 5-6. A small amount of damage was done to shipping around the coasts of England by 10 long range bombers. No operations over England were reported.

3. Aircraft Losses Reported.

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2. British Losses. During the day of August 2, one Spitfire, the pilot of which was saved, was shot down. Seven bombers were unreported, 3 bombers were forced down at sea and 3 bombers crashed in England after returning from their missions. Another bomber was lost due to anti-aircraft fire.

3. Axis Losses. On August 2, British fighters destroyed 3 Ju-88’s, one of the He-119’s attacking the B-17’s, as mentioned, was damaged.

4. British Air Activity, Other Theaters.

5. North African theater. Benghazi harbor was attacked by 3 Wellingtons from Malta the night of July 31-August 1, with the loss of one bomber. The results of this raid were not ascertainable. A Heinkel bomber operated by the Free French Forces jettisoned its bombs over Assas, when attacked by 2 Gr-65’s, which are Italian fighters. One of the attackers was damaged. One Heinkel was lost when three of these aircraft attacked shipping off the coast of Sicily. During this attack three vessels were hit.

6. Axis Air Activity, Other Theaters.

7. North African theater. Some houses were destroyed and a few civilian casualties occurred at Alexandria during an attack by nine Ju-88’s.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE August 15, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Progress of the Russo-German War

1. Comparing the situation today with that of three weeks ago as shown on the appended maps, it is obvious that the Nazis have made only minor gains on the Finnish, Leningrad and Moscow fronts. On the Ukrainian front, the map today shows the Germans as having accomplished a major advance in the central and southern Ukraine. But where three weeks ago Kiev appeared to be on the verge of falling to the German Army, today Odessa is dangerously threatened.

2. Colonel Fortier (formerly Military Attaché in Yugoslavia, Acting Situations Officer, M.I.D.) believes that the Russian situation in the Ukraine is becoming more critical, so far as can be ascertained. From the information available, the Russians seem to be giving way. Their withdrawal, however, is being well-executed and in good order. There does not appear to be a slicing up of Russian armies and piecemeal annihilation similar to that which occurred to the armies of the other German enemies. The Russians are retreating but in a solid front.

3. Colonel Guenther (Eastern European and Russian Section, M.I.D.) is of the opinion that the situation looks very dark for the Russians. He believes that in the next six weeks the Germans will take Odessa and push on eastward as far as the Volga (i.e., as far as the Caucasus Mountains). In the north, the Germans and Finns will encircle Leningrad and so neutralize the troops in that city. In the center towards Moscow, the Germans will probably make some further progress but will not take the city — partly because they do not want to take the city before next spring. (This statement is particularly interesting in view of our Army's opinion at the start of the war that the offensive towards Moscow was the main German thrust. Also, according to most information, the largest numbers of German armies and panzer divisions were concentrated in this sector.)
Having achieved these goals, reaching the Volga and encircling Leningrad, the Germans will either attempt to make peace with the Russian Government or stabilize the front until Spring. During the winter the Germans will direct their attention again to the Mediterranean and try to drive the British out completely. Then, in the spring of 1942, the German Army will turn again on Russia, take Moscow and end the Russian War by smashing the rest of the Red Army. (The foregoing estimate, although stated to be very dark for the Russians, actually is the most optimistic picture Colonel Guenther has yet had of the situation. Several weeks ago he believed that any aid to the Russians which did not arrive very soon would arrive too late.)

4. Colonel Guenther stated that one curious recent development is the absence of indications of any intense German air activity on the Russian front. The relative German air inactivity, he said, may be due to a lack of planes, pilots, or a shortage of gasoline. (In a way, this statement is corroborated by a dispatch from the German news agency, D.N.B. According to the New York Times, August 14, D.N.B. asserted that, "In the past four nights ..., German planes had dropped 60, 35, 70 and 40 tons respectively of explosive bombs ... on the Russian capital." This is to be compared with the 300 to 400 tons of bombs a night which were dropped on London at the height of the bombing. The R.A.F. now makes peak raids which drop 200-250 tons of explosive on German cities and averages around 130 tons of bombs a night. Perhaps the Russian claims of extensive damage to the German Air Force are reasonably reliable.)

5. In view of the continual German claims that "Operations are proceeding according to plan" in the Russian War, it might be of interest to recall the comment made by one of the great German chiefs of staff, the elder Moltke:

"No war plan extends beyond the first military engagement with the hostile main forces. Only the layman believes that the course of the campaign has followed a predetermined course, which has been planned in detail far in advance, and has been clung to tenaciously to the bitter end."
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE August 25, 1941

TO Secretary Morgenthau
FROM Mr. Kamarok

Subject: Developments in the War

A. Situation Report

The Finns have advanced a few miles on the Karelian Isthmus, but in essence there have been no substantial changes on the Finnish front for a number of weeks.

The Nazis have made some progress southeast of Leningrad, (1), and are supposed to have cut the direct Leningrad-Moscow railroad. (This, I believe, overstates the German advance.)

On the Central front there have been no recent changes. However, compared to two weeks ago the Germans have widened the lower half of the Smolensk salient and are now close to Bryansk.

Northeast of Kiev, (2), a Nazi armored column is believed to have thrust through the Russian lines which have closed behind it. A Russian counter-offensive is underway against this column.

In the south, the Russians are holding the river line of the Dnieper.

B. Summary of Important Military Reports

The R.A.F.'s greatest effort has been to try to force the Germans to withdraw their fighters from the Russian front. The day fighter sweeps have not been successful in relieving German fighter pressure on the Russian front. (London, Military Attache, August 14, 1941)
(This judgment of our London military attache is most important. For a brief period in early July it looked as though the British had forced the Germans to return some of their fighters from the Russian front. The reluctant conclusion that the R.A.F. has not been able to give any immediate assistance to the Russians explains in large part the continued ability of the Germans to advance.)

The Soviet withdrawal in the Ukraine has been orderly. Supply services are working well and morale is most satisfactory. (U.K. Embassy, London Telegram, August 17, 1941)

The British Air Ministry states that some units of the German Air Force have been withdrawn from the Russian front to Central Germany for overhaul or to provide rest for the crews. (London, Military Attache, August 18, 1941)
TREASURY DEPARTMENT
INTER-OFFICE COMMUNICATION

DATE September 2, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck
Subject: Summary of Military Reports

Use of American Planes

An engagement took place off the Egyptian coast between 45 axis planes and a number (unstated) of P-40's. One P-40 was shot down but its pilot was saved. One Me-110 was shot down, four more probably destroyed and eight damaged. (London, Military Attache, August 24, 1941)

Three Flying Fortresses were dispatched to attack Dusseldorf during daylight of August 21. However, icing conditions and mechanical difficulties caused the abandonment of the mission. (London, Military Attache, August 22, 1941)

R.A.F. Strength in Middle East

On August 1, 1941, the R.A.F. had almost 1,300 planes in the Middle East. Of these, about 50 percent or 650 were modern serviceable planes. Of the others, 100 were obsolete and the rest in depot undergoing repairs, overhaul, etc. (This is to be compared to the situation on April 25 of this year when the R.A.F. had a total of 500 planes in the Middle East. Since almost half of these were obsolete and others were undergoing overhaul or repair, the British probably could not put more than 175 planes into the air against axis forces.)

The R.A.F. plans to increase the number of squadrons in Egypt by 50 percent (from 40 to 60) by January 1, 1942.
Division of Monetary Research

Distribution

<table>
<thead>
<tr>
<th></th>
<th>Squadrons</th>
<th>Total Number of Planes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Egypt, Palestine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bombers</td>
<td>17</td>
<td>442</td>
</tr>
<tr>
<td>Fighters</td>
<td>21</td>
<td>495</td>
</tr>
<tr>
<td>Other types</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>940</td>
</tr>
<tr>
<td><strong>Malta</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bombers</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Fighters</td>
<td>6</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td><strong>Sudan (obsolete)</strong></td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td><strong>Aden (obsolete)</strong></td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td><strong>Iraq (obsolete)</strong></td>
<td>2</td>
<td>101</td>
</tr>
<tr>
<td>(others)</td>
<td>8</td>
<td>152</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>61</td>
<td>1,294</td>
</tr>
</tbody>
</table>

(Cairo, Military Attache, August 15, 1941)

**Russo-German War**

The Russian bombing attacks on the Romanian oil fields carried out by the Russian Naval Air Force use, on the average, about 40 medium bombers each carrying half a ton of bombs.

The British Air Ministry believes that the morale of the Russian Fleet and its Air Arm in the Black Sea area is good.

(London, Military Attache, August 12, 1941)
1. British Air Activity over the Continent.
   a. Night of August 23-24. During the operations of this night 78 tons of HE, 96 large incendiaries and 3100 small incendiaries were dropped on Hanstein. On Le Havre were dropped 32 tons of HE and 2100 incendiaries. Secondary targets received 19 tons of HE, 48 large incendiaries and 900 small incendiaries.

   b. Day of August 24. Because of bad weather no bombers were dispatched. A total of 321 fighters were employed as follows: 76 on interception patrols, 214 in the protection of shipping, 14 on special operations and 7 on offensive missions.

2. German Air Activity over Britain.
   a. Day of August 23. 15 reconnaissance aircraft and 10 long range bombers were used.

   b. Night of August 23-24. 10 fighters and 25 long range bombers were employed.

   c. Day of August 24. Defensive patrols were maintained in the area of Calais. Small scale shipping reconnaissance also took place off the east coast of Britain.

   d. Night of August 23-24. A few raids were made between the Firth of Forth and Stenhouse. Small scale operations also occurred off the north east coast of Britain.

3. Aircraft Losses Reported.
   a. British Losses. None reported.
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b. Anti-aircraft. Data reported.

c. British Air Activity. Other Sections.

d. Middle Eastern Section. Off the Egyptian coast an engagement took place between approximately 40 Axis aircraft* and an unknown number of P-40's. One P-40 was shot down but the pilot was saved. Axis losses were 2 Br.220's shot down, 4 Br.220's probably destroyed and 8 Br.220's damaged.

The situation is not clear, according to British aerial photographic reconnaissances of that port on August 22.

[Date]

[Signature]

[Stamp: Confidential]

Regraded Unclassified
2. British Air Activity over the Continent.

a. Day of August 30. A total of 230 fighters were employed as follows: 90 on interception patrols, 25 in the protection of shipping, 45 on special missions, and 60 on offensive missions. 

b. Day of August 31. All operations were cancelled because of unfavorable weather.

2. German Air Activity over Britain.

a. Day of August 30. 96 reconnaissance aircraft and 3 long-range bombers were employed.

b. Day of August 31. 5 fighters and 25 long-range bombers were used.

c. Day of September 1. Extensive fighter patrols were maintained in the area of Britain. Reconnaissance of weather and shipping was carried out off West Anglia. At Westfolk and Bempton 2 German aircraft appeared inland.

d. Day of September 2. Only 2 aircraft came over Britain.
There were reported at Bablothunya and Thamotha.


a. British Airmen. During the day of August 30, 16 Spitfires and 18 pilots were lost and 2 Spitfires damaged. 10 bombers were lost the night of August 30th.

b. Axis Airmen. For the day of August 30, there were 4 actions: 2 He-111s shot down, 3 He-111s and 7 He-111s probably destroyed and 5 He-111s and 3 He-111s damaged. During the night of August 30-31, British night fighters shot down one He-111.

c. Axis Air Attacks. Other Targets.

(1) Middle Eastern Front. Bombs were dropped on Erbil and Port Said during an attack on June 9th by 6 Axis aircraft on the night of August 30th. No report of damage has been received.

X.B. 6 9, 1940, 9/10/41
1. The following information is for the Air Corps: The number of operational squadrons of the Royal Air Force in the Middle East has been increased to 60 by August 1, 1942. It is proposed to further increase this number to 60 squadrons by January 1, 1943. The following is the present disposition of squadrons in Egypt, the Western Desert and Palestine: 3 squadrons of Blenheims, 30 aircraft serviceable and 116 in depot; 1 squadron of Blenheims, 21 serviceable and 2 in depot; 34 squadrons of Hurricanes, 192 serviceable and 186 in depot; 5 squadrons of Spitfires, 63 serviceable and 58 in depot; 4 squadrons of Beaufighters, 70 serviceable and 67 in depot; 6 squadrons of Wellingtons, 100 serviceable and 15 in depot; 2 squadrons of Blenheims, 12 serviceable and 9 in depot; 1 squadron of Blenheims, 5 serviceable and one in depot; 2 squadrons of Blenheims, 3 serviceable and one in depot; one squadron equipped with Beaufighters and two (Superstitious), 6 serviceable and one in depot; and 2 squadrons of Hurricanes of the old type, having 2 aircraft in a serviceable condition and 2 in the repair depot.

2. The percentage of aircraft classed as serviceable and that of those undergoing repair is the same as already reported. During the week ending August 9th, 12 aircraft were flown into the Middle East or erected here.

3. The aircraft situation in other commands is as follows:

India: 2 first class squadrons of Hurricanes with 15 planes, 1
squadrons of second class Hurricanes with 21 planes; 2 squadrons of Wellingtons with 15 planes; 2 squadrons of Hampdens with 25 planes; 1 squadron of Blenheims with 6 planes; 1 squadron of Halifaxes with 6 planes; Battle 5 squadrons and a Force Command having in all 36 aircraft of obsolete types; Albacore 37 obsolete aircraft; Revo, 8 squadrons and a Command having in all 102 aircraft, all of which are obsolete except 4 squadrons of Hampden, having 37 planes; and 2 squadrons of Hurricanes having 24 planes.

DISTRIBUTION:

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Assistant Chief of Staff, C-S
Air Plans Division
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C. I. O.
Supervisor
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Supervisor
Indian Air Force

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Paraphrase of Codo Cablesgram
Received at the War Department
at 13:41, August 12, 1941.

London, filed 19:00, August 12, 1941.

1. British Air Activity over the Continent.
   a. Day of August 11. A total of 176 fighters were employed
      as follows: 50 on interception patrols, 126 in the protection of shipping,
      2 on special missions, and 10 on offensive patrols.
   b. Night of August 11-12. During the night 35 bombers were
      dispatched as follows: 20 to the railway station at Eheydt, 55 to the
      docks at Rotterdam, 1 to the Antwerp docks, and 39 to the railway center
      at Krefeld. An attack on airfields in occupied France was also made by
      7 Havocs.

2. German Air Activity over Britain.
   a. Day of August 10. 10 reconnaissance aircraft and 5 long
      range bombers were used.
   b. Night of August 10-11. 6 reconnaissance aircraft, 8 fighters
      and 10 long range bombers were dispatched.
   c. Day of August 11. Reconnaissance of shipping at sea
      occurred on a small scale. No enemy aircraft flew over Britain.
   d. Night of August 11-12. A single aircraft operated against
      shipping off the east coast of Britain.

3. Aircraft Losses Reported.
   a. British losses. No losses occurred during the day of August
      11. During the night of August 11-12 one Havoc was lost.
   b. Axis losses. None reported.

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4. **Axis Air Activity, Other Theaters.**

a. **Middle Eastern Theater.** Airdromes south of Ismailia and Assiut were attacked by 20 Axis aircraft during the night of August 9-10. Only a small amount of damage resulted from this raid.

The Russian Fleet Air Arm employed about 40 medium bombers, each carrying a bomb load of 1000 pounds, in the attacks on the Russian oil fields, according to information obtained by the British Air Ministry. This source also believes that the Russians will make a vigorous stand at Odessa, also that the morale of the Russian Fleet and its Air Arm in the Black Sea area is good.

---

**Distribution:**
- State Department
- Assistant Chief of Staff, G-3
- War Plans Division
- Office of Naval Intelligence G. H. Q.
- Chief of the Army Air Forces
- Secretary of Treasury
- Assistant Secretary of War for Air
- Assistant Chief of Staff, G-3
- Air Corps

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CONFIDENTIAL
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE September 3, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

Subject: Monthly Report: Royal Air Force Bombing Activity in August, 1941

Comment

1. The numbers of bombers lost monthly by the R.A.F. in its raids over northwest Europe have been increasing. This is shown in the following table:

<table>
<thead>
<tr>
<th>R.A.F. bomber losses over northwest Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly losses - May 1, 1940-May 1, 1941</td>
</tr>
<tr>
<td>May, 1941</td>
</tr>
<tr>
<td>June, 1941</td>
</tr>
<tr>
<td>July, 1941</td>
</tr>
<tr>
<td>August, 1941</td>
</tr>
</tbody>
</table>

2. The attacks on the German battle cruisers at Brest provide an indication of the relative value of daylight and night raids. During August the R.A.F. made one daylight raid on Brest and the results of this were apparently sufficient to keep the battle cruisers out of action. In preceding months, to achieve the same end, the R.A.F. had to make four to five night raids a month.

3. Most of the British daylight raids are carried out by Blenheim bombers. These bombers are regarded as obsolete and are apparently being expended in this way.
1. **Losses**

<table>
<thead>
<tr>
<th>Losses during August</th>
<th>Total Losses in Raids to September 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F. bomber losses in bombing raids in northern Europe</td>
<td>142</td>
</tr>
</tbody>
</table>

2. **Analysis of Targets**

<table>
<thead>
<tr>
<th>Attacks during August</th>
<th>Total Number of Attacks to September 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>64</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>56</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>30</td>
</tr>
<tr>
<td>Oil refineries, synthetic oil plants and tank farms</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total of above</strong></td>
<td><strong>153</strong></td>
</tr>
</tbody>
</table>

3. **Leading Cities Attacked**

<table>
<thead>
<tr>
<th>Attacks during August</th>
<th>Total Number of Attacks to September 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Germany</strong></td>
<td></td>
</tr>
<tr>
<td>Cologne (industrial center)</td>
<td>7</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>3</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>2</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>1</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>0</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>6</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>5</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>2</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>3</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total of Above (11 Cities)</strong></td>
<td><strong>32</strong></td>
</tr>
</tbody>
</table>

<p>| <strong>B. Occupied Areas</strong> | |
|-----------------------| |
| Boulogne (port) | 5 | 101 |
| Ostend (port) | 5 | 79 |
| Brest (port) | 1 | 71 |
| Calais (port) | 1 | 71 |
| Flushing (port) | 0 | 63 |
| Lorient (port) | 0 | 49 |
| <strong>Total of Above (6 Cities)</strong> | <strong>12</strong> | <strong>434</strong> |</p>
<table>
<thead>
<tr>
<th>C. Italy</th>
<th>Attacks during August</th>
<th>Total Number of Attacks to September 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naples (port)</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Total of Above (2 Cities)</td>
<td>0</td>
<td>23</td>
</tr>
</tbody>
</table>
TO Secretary Morgenthau  
FROM Mr. Kamarck  
SUBJECT: Summary of Military Reports

Use of American Planes

During the day of August 31, a B-17 was dispatched to attack Kiel but abandoned its mission because of bad weather. Another B-17 attacked Bremen from an altitude of 35,000 feet. (This is the highest altitude reported for an attack by a B-17 yet.) The bombs burst in the heart of the city. A third B-17 was sent to Hamburg. Because of bad weather it could not attack its primary objective. In its attack on the secondary objective, its bombs fell into the sea. (London, Military Attache, September 1, 1941)

Battle of the Atlantic

Imports into Great Britain in convoy for the week ending August 25, totaled 1,373,663 tons. This is the highest weekly total for the past year. (U.K. Embassy, London Telegram, August 29, 1941)

Spain

Air reconnaissances over Germany on August 24 showed continued indications of a traffic trend southwards toward the Spanish frontier. Exceptional military activity was also seen. (It is not indicated whether the military activity was also directed toward the Spanish border.) (U.K. Embassy, London Telegram, August 30, 1941)

(The Germans may be already beginning to make preparations for their winter campaign in the Mediterranean basin.)
2. British Air Activity over the Continent.

a. **Night of August 28-29.** A total of 161 fighters were dispatched as follows: 207 in the protection of shipping, 61 on interception patrols, 256 on offensive missions and 29 on special operations. Bomber bombers were employed as follows: 6 against airfields near 60, 62 against 602, 6 against the airfield at 60, and 6 against the shipyard at Lo 60, where 61 bombs were seen to burst on the shipyard. A 8-37 was dispatched to attack 60 but abandoned the mission because of bad weather. Bomber bombs were observed in the town of 60 during an attack by another 8-37 at 3000 feet. A third 8-37 was dispatched to 60, but attacked the secondary objective because of bad weather. The bombs fell into the sea.

b. **Night of August 29-30.** A total of 234 bombers were dispatched as follows: 25 to the railway center at 60, 21 to 60, 6 to attack airfields near 60, 6 to attack shipping along the coast, 6 to attack the harbor of 60 and the approach, and 6 to 60.

3. **German Air Activity over Britain.**

a. **Day of August 29.** 15 reconnaissance aircraft and 5 long range bombers were used.

b. **Night of August 29-30.** The strength consisted of 2 fighters
and 15 long range beacons.

4. **Day of August 23.** No German aircraft appeared over England. The strength of the fighter defensive patrols in the southern area was increased.

5. **Night of August 24-September 1.** Night fighters operated over Lancashire and Kent Anglia. Operations against shipping took place in the Thames Estuary and off Falmouth Head, the Farne Islands and Mildford Haven.

9. **Aircrew Losses Reported.**

10. **British Losses.** 2 Spitfires and pilots were lost and 3 Spitfires damaged on August 21. Bomber losses during the night of August 23-September 1 were as follows: Collapses 4, 1 lost, 2 crashed in Britain, 1 down at sea, and 1 shot down over Britain by a night fighter. Hence total total, 2 lost and 6 collapses, 1 lost.

11. **Axis Losses.** During the day of August 23 these were as follows: 1 He-111 shot down, 2 He-111's probably destroyed, and 11 He-111's damaged. During the night of August 23-September 1 a British Beaufighter shot down a He-111 over the Thames Estuary.

12. **British Air Activity, Other Matters.**

13. **Bomber Losses.** 2 torpedo hits were claimed on a 1200 ton motor vessel in an attack by 5 Swedish aircraft from Malta.

14. **North African Theater.** Fires were started in the dock area of Tripoli as a result of an attack by 9 Wellington bombers, during which 15 tons of bombs were dropped.

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CONFIDENTIAL
Distributions:
- Chief of the Army Air Forces
- Assistant Chief of Staff, G-2
- Adjutant General
- Office of Naval Intelligence (2)
- Office of Naval Intelligence
- F.D.R.
- President's Assistant
- Intelligence Branch
- Secretary of Treasury
- A.P.
- Assistant
- Information Branch
- J.B.
- Office of the President
THE BRITISH EMBASSY,
WASHINGTON, D.C.
September 2nd, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information copies of the latest reports received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. I. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAF FROM LONDON DATED AUGUST 29th, 1941

British submarine reports sinking of laden 8,000 ton merchant ship off North West Sicily on August 29th and obtaining two torpedo hits on Italian fleet oiler in same area on August 27th. H.M.S. Phoebe hit by aircraft torpedo north of Pardia p.m. August 27th has returned to harbour 18 knots. H.M.S. Hawkins on arrival at Sousse on August 26th had been 47 days at sea out of 50.

2. Imports into Great Britain in convoy for week ending August 23rd totalled 1,373,683 tons. Highest weekly figure during past 12 months.

3. August 26th. Blenheim attack fighter attack on Rotterdam docks. Direct hits on one merchant vessel of 8 to 10 thousand tons and on another of 8 thousand tons; other vessels and ships under construction attacked with unobserved results and one aircraft claimed direct hit on sheds in docks. Heavy anti-aircraft opposition. 7 Blenheim, 5 fighters missing.

4. Night August 28th-29th. 150 aircraft despatched to targets including Duisburg railway centres and searchlights Ostend and Dunkirk, 9 missing, at Duisburg concentration flak and searchlights was the biggest experienced but good results obtained. Direct hits claimed on railway station and huge explosion close to it. Very large fires also started.

5. Middle East: August 26th/27th. Night attacks by Wellingtons on Benghazi Harbour and by Marylanders on tank concentrations 45 miles east of Tobruk. Fighters protecting shipping shot down 3 German fighters; one Hurricane missing.

6. August 27th/28th. Our torpedo bombers scored hit on 8,000 ton merchant vessel near Lepetz and on August 28th Blenheim over Ionian Sea made 3 hits on 5,000 ton merchant vessel last seen stationary and dow; by the stern; 1 hit obtained on another ship.
Telegram from London dated August 30th, 1941.

Doucetian has arrived Gibraltar. R.C.A.S. has arrived in harbour. A British submarine scored a possible hit on merchant ship in Mandri Channel a.m. 15th. Also sunk by gun fire on August 30th schooner with cargo of oil. B.S.A.G. Yarra captured Italian merchant vessel Hilda 3,000 tons in the Persian Gulf August 27th fires started on board the Hilda were extinguished. She is being towed into harbour. During air raid on Suez Canal some night of August 27th/28th only damage reported at ABU Sultan where ammunition train hit. Suez Canal reported closed.

2. Royal Air Force August 29th. During day our fighters over Northern France destroyed 10 enemy fighters; we lost ten Spitfires. August 29th/30th. Over 800 despatched to targets including Mannheim and Frankfurt. Five missing. Results not yet known.

3. German Air Force. All German aircraft operating. 13 crossed the coast. Majority nine laying on wrong against shipping off the East coast. One destroyed by balloon cable and another probably destroyed by night fighters.

4. Royal Air Force August 29th. 8 Schnellbis attacked by two ships previously reported west of Suez. Three hits obtained on one ship of 5,000 tons. When last seen ship stopped down by the stern. One bomb hit the other ship but results not seen. No opposition. Believed ships probably Italian Cilicia and Orion. P.M. August 27th at Tabruk during air raid by 60 dive bombers mines sweeper East 3rd sunk. One aircraft shot down certain three probably.

5. Germany. Air reconnaissance August 26th shows traffic border area increasing. Harsbelling sidings filled. Continued indication traffic trend southwards towards Spanish frontier. Exceptional activity of Military Forces.

Regraded Unclassified
The second page of the document is not visible. Please ensure the image includes the entire page content.
TO                   Secretary Morgenthau  
FROM                 Mr. Kamark  

Subject: Extracts from Military Journals on the War  

Recently there have been a number of articles on the war in the military journals which might be of interest. As far as possible I have attempted to extract the most important points of the articles for this compilation.

The Russian Air Force

Russian Air Power: The Strategic Plan
(The Aeroplane, July 15, 1941)

... "Russian military and aeronautical journals have discussed ... (air strategy and tactics) in more detail than publications in any other country.

"The basis of these discussions has been the so-called 'Preliminary Regulation' for the employment of the air force in the field, published in the Spring of 1935.... During 1937 and 1938, long extracts from this Regulation were published by German military and aeronautical journals together with the comments of Russian experts. The curriculum of the German Air Warfare Academy contains a number of lectures on the Regulation, which was described as the first of its kind to lay down the principles for the use of the air weapon.

"A survey of the German air operations of the present War suggests that most of them have been modelled on the Russian Regulation whether they were independent air force operations or collaboration with the ground forces. This is not surprising if one keeps in mind that most of the prominent Luftwaffe Generals ... learnt their first lessons in aerial warfare in Russia before 1933, when the German and Russian High Commands worked closely together on building up their armed forces.

"The second part of the Regulation is the more interesting. The great battles of this War launched by the Germans seem to have been modelled on it; and examples of its operation are the breakthrough at Sedan and the German thrust towards the Channel ports.
Had the Regulation been as thoroughly studied by the Allies as it was by the Germans, they might have learned how to use their defending forces against the Stuka-Panzer onslaught."

The Russian Air Fleet
(The Aeroplane, July 18, July 25, 1941)

"... the Red Air Fleet is still in being and operating as an organized whole. That is the best tribute to its quality which can be given, for only the Royal Air Force of Great Britain has been able to exceed this performance.

"According to the most reliable of many unreliable estimates, the operational strength of the Red Air Fleet is around 5,000 'first line' aeroplanes, of which about 900 are seaplanes. The total strength is probably about five times this figure.

"In the fighting so far two Russian types seem to have done well -- the I-16 fighter, which resembles the Spitfire, and the TB-6 four-motor bomber. The great L-760 six-motor bomber has also been reported in action.

"The I-16 is a single-seat fighter -- a low-wing monoplane with a single ... motor said to develop 1,100 h.p. The top speed is reported to be about 360 m.p.h. (about as fast as the Spitfire) and the armament eight machine-guns in the wings.

"The TB-6 is a four-motor mid-wing monoplane. In its latest form ... the top speed is quoted as 274 m.p.h. at 19,000 feet and the range 1,240 miles with 4,400 lb. of bombs. (Maximum speed of the Flying Fortress is said to be 300 m.p.h., range 2,500 miles and maximum bomb load 5,000 lbs.)

"The Red Air Fleet is trained in close support operations with the Russian mechanized land forces rather than in long-range strategic bombing. For that reason most of the newer Russian bombers ... approximate to the American 'attack bomber' formula ... instead of to the bigger four-motor types with which the Russian Air Force was predominantly equipped some years ago.

"Maintenance on the ground is probably the weakest point in the organization of the Red Air Fleet.

"Taken as a whole, the Red Air Fleet cannot be regarded as of high quality. However, it gained much operational experience in Spain and in Finland and has had a year in which to apply these latest lessons and to study the experiences of the War in France and over England."
Russian Tactics

Editorial
(The Fighting Forces, British military magazine, August, 1941)

"In Poland and France the German Panzer divisions were followed up at comparatively short intervals by motorized divisions, and neither the Panzer divisions nor the motorized infantry encountered unduly formidable opposition, certainly there was no tank opposition in either case worth speaking of. The Russians have been unable to prevent the Panzer divisions from penetrating eastwards, in some cases for considerable distances, but they have concentrated on and counter-attacked the motorized German infantry and in any case have interposed large forces between the German forward elements and their infantry, and, in some cases, between the motorized infantry and the reserve forces. In fact, the Russian tactics of separating German tanks and infantry have definitely proved a source of embarrassment to the Germans..."

"To summarize up to date one can say that the tactics employed by the Russians to meet the German attack have been absolutely correct, and reflect much credit on their General Staff."

"Russian Achievements"
by Major-General Sir Charles Gwynn
(The Fortnightly, August 1941)

... "It is ... abundantly evident that in the first four weeks of the war both the Red Army and Air Force have proved themselves much more formidable than was expected, even by the most optimistic.

"Yet the conditions were favorable (for the Germans). Striking, fully mobilized and deployed, at their selected moment, the Germans employed the element of surprise to quite as great an extent as in any of their previous campaigns of the war. ... Under the circumstances initial successes were inevitable, and the German war machine is specially designed to make these of a decisive character. In a few hours the Luftwaffe might have gone far towards establishing decisive air supremacy, and in a day or two Panzer divisions might have disrupted the organization of ground defenses if defensive plans had not been skillfully made. Yet plans would have been unavailing if the morale of the troops and their leaders had been paralyzed by the suddenness and violence of the attack. The Germans admit it was the absence of this moral paralysis, which previous experience had led them to expect, that has delayed, if not upset, the development of their strategical plans."
British Air Assistance to Russia

"The War in the Air"
(The Aeroplane, July 18, 1941)

"Thus for a time the bulk of the German Air Force must remain in the East. Should too many squadrons be withdrawn while the Red Air Fleet remains formidable then there would be a serious risk of the Russians establishing a measure of air ascendancy, of smashing the German communications and so opening the way to a major disaster to the invading Germans.

"That is where the present striking power of the R.A.F. may have a tremendous influence on the course of the whole campaign. For if the destruction caused in Germany can be made so serious that the threat has to be met quickly then the Russians have a chance to strike back effectively. The whole position hinges on whether Hitler correctly estimated the striking power of the R.A.F. when he withdrew his Air Fleets from France and began the new campaign."

"Air Ministry Strategy"
(Flight, August 7, 1941)

"So far, one looks in vain for evidence that ... strategic bombing (British bombing of German industrial centers) has put any check on the operations of the German Army. There have been pauses in the invasion of Russia while the invaders reformed and refitted, patched up their tanks and brought up more supplies of fuel and ammunition, but these pauses were obviously due to the resistance of the Russian armies and their air contingents. Nothing suggests that they were due to damage done by British bombing operations against factories.

"Bombing of enemy production must certainly go on. It would be folly not to interfere with that production. But it is raising extravagant hopes to suggest that this single operation will bring us victory."

Naval Warfare

"The Bismarck"
(The Fighting Forces, August, 1941)

"Because of the happy ending to the chase of the Bismarck people are neglecting some important aspects of the chase. The explanations for the loss of the Hood are particularly bad. The explanations that it was due to a 'lucky hit' or that the Hood was an old ship are untenable."
"The conclusion cannot ... be avoided that the decisive
shot that struck the Hood blew her up not because it was a lucky
one but because the ship had not been given that degree of protec-
tion which reasonable foresight should have seen was necessary."

... "It is true that the ship was old, but a full nineteen
years had elapsed between her completion and the outbreak of war,
during which there was clearly ample time to add to the protection
of her magazines so as to make them proof against shells which
were, in fact, no larger than those carried by the Hood herself.

"It is indeed a remarkable thing, and one about which there
has been surprisingly little comment, that despite the fact that
the Bismarck was shelled into complete silence two of the most
powerful battleships in the world, the King George V and Rodney,
could not sink her by gun fire. She had previously been in gun
action with the Hood and Prince of Wales. She was later under
fire from the King George V and Rodney for about two hours,
during which time probably over 1,000 rounds of 16-inch and
14-inch shells must have been fired at her, many of them from
close range. Yet the torpedo had to be brought in to put her
under water."

"The War in the Air"
(The Aeroplane, August 1, 1941)

"In open waters the air-launched torpedo has proved to be
a decisive influence in naval warfare. Without adequate air
support to repel the attacking torpedo aeroplane no warships
can venture to sea within range of air attack."
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE September 5, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Summary of Military Reports

Iran

The British and Russians are making the following demands on Iran. (See attached map)

(a) The Russian Army is to occupy area 1. (Turkish frontier districts and northern terminus of Trans-Iranian Railroad)

(b) The British Army is to occupy area 2. (Oil fields and southern terminus of Trans-Iranian Railroad)

(c) War supplies and munitions are to be freely transportable through Iran.

(d) All Germans except a few technicians are to be deported within a week.

(e) Iran is to maintain strict neutrality.

(U.S. Military Intelligence, September 4, 1941)

Use of American Planes

During the day of September 2, three B-17’s were sent out. The two dispatched to Hamburg and Duisberg abandoned their missions because of bad weather. The third B-17 attacked Bremen from 30,000 feet. There was no opposition by German fighters. One of the bombs dropped burst in the center of the city. (London, Military Attache, September 3, 1941)

German Threat to American Aid to British

The British Air Ministry states that the Germans have based a squadron equipped with 6 Focke Wulf bombers (long distance four-motor bombers) on an airdrome in Crete. This squadron is apparently intended for attacks on shipping in the Red Sea. (London, Military Attache, September 3, 1941)
German Navy

According to a British photographic reconnaissance on September 1, the location of the major units of the German Navy was as follows:

At Brest:
- 2 battlecruisers, Scharnhorst and Gneisenau
- 1 - 10,000 ton cruiser, Prince Eugen

At Kiel:
- 2 pocket battleships (10,000 tons), Scheer and Lutzow
- 1 - 10,000 ton cruiser, Hipper

Steaming to Kiel:
- 1 battleship, Tirpitz (sister ship of Bismarck)

At Travenmunde (southwest of Kiel on Baltic):
- 1 light cruiser, Koln

(Unaccounted for:
- 2 light cruisers)

(U.K. Embassy, London Telegram, September 2, 1941)
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE September 11, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck
Subject: Summary of Military Reports

R.A.F. Raid on Berlin

(During the night of September 7/8, the Royal Air Force made its biggest raid of the war to date on Berlin on the first anniversary of a large German raid on London.) Nearly 200 bombers took part. 138 tons of high explosive were dropped including five 2-ton bombs (the big new super-bombs), 12,000 four-pound, 160 25-pound and 355 50-pound incendiaries. It is estimated that the center of the city was severely damaged. (The magnitude of the raid is well on a par with the large German raids on London last fall.)

(London, Military Attache, September 9, 1941; U.K. Embassy, London Telegram, September 8, 1941)

Use of American Planes

Four Flying Fortresses were sent to Oslo, during the day of September 8, to attack a shipyard. They were attacked at an altitude of 29,000 feet over Akernes (near Oslo) by German pursuit planes. The mission was abandoned. Two B-17's were shot down in Norway and a third crashed on its return to England. (This is the first loss of a B-17 since they were first used two months ago. The altitude at which the German attack occurred suggests that the Germans have been taking counter-measures to meet the high ceiling of the B-17's.)

(London, Military Attache, September 9, 1941)
British submarine activity

A British submarine demolished a 120 foot railway bridge on the south coast of Sicily during the night of August 27/28. (This is the second time that a British submarine has successfully attacked Italian land targets.)

(U.K. Embassy, London Telegram, September 5, 1941)

The submarine Trident shelled a merchant ship off Bredeund, Norway (opposite the northern tip of Scotland) and scored five hits. On August 22nd, she sank the German ship Ost Preussen out of a convoy of 4 ships at the entrance of Fuglo Sound (near the northern tip of Norway, i.e. about 500 miles from the first incident). On the 30th she attacked a convoy of four ships escorted by destroyers, trawlers and one aircraft off Soroon Island and hit a 1,500 ton ship and a 3,000 ton ship. The first ship is believed to have been sunk. Observing two hours later, the second ship was seen on fire with a heavy list. The Trident sustained no damage although 56 depth charges were dropped around her.

(U.K. Embassy, London Telegram, September 4, 1941)

Imports into England

During the week ending August 30, imports into Great Britain (brought in by convoy) totalled 519,275 tons compared with 1,373,682 tons in the previous week, and an average of 882,505 tons for past ten weeks.

(U.K. Embassy, London Telegram, September 5, 1941)

(From time to time, we have received fragmentary data, some of which overlap, on British imports in convoy. The available data indicates that imports decreased during last fall and winter, but are now increasing again.

Ten Week Periods

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Weekly Imported in Convoy</th>
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<tbody>
<tr>
<td>July 28 – Oct. 5, 1940</td>
<td>950,000 tons</td>
</tr>
<tr>
<td>Sept. 29 – Dec. 5, 1940</td>
<td>820,000 *</td>
</tr>
<tr>
<td>Feb. 23 – May 3, 1941</td>
<td>695,000 *</td>
</tr>
<tr>
<td>March 30 – June 14, 1941</td>
<td>795,000 *</td>
</tr>
<tr>
<td>June 15 – Aug. 23, 1941</td>
<td>885,000 *</td>
</tr>
</tbody>
</table>
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2. Radio Air Activity over the Channel.

b. anti-shipping bomb. The number of bombs dropped were as follows: 450, 395 tons of 504, including 5 4000 pound bombs, 100 25 pound incendiaries, 300 20 pound incendiaries, 200 10 pound incendiaries, 40 5 pound incendiaries. Total 30 tons of 20 and 2500 incendiaries.

b. Re-Occupation B. A total of 377 flights were employed in attacks on 108 in the protection of shipping, 76 in interception patrols, 12 on offensive operations, and 29 on special operations. 12 Flights were employed against enemy shipping in the English Channel. The results of this operation have not been reported. 11 Flights maintained their stations against the shipping at 6234 times expended at 20,800 feet over Donna Bay. 12 Flights were shot down and 2 landed on the本土. More information will be furnished concerning this operation later.

c. Re-Occupation C. 94 bombers were dispatched against the enemy ships at Dunkirk. 16 bombers were employed in the mining of the English Channel. Bombing was attacked by 42 sorties.

d. Re-Occupation D. 9 reconnaissance aircraft and 1 long range bomber were used.

e. Re-Occupation E. 30 fighters, 5 reconnaissance aircraft and 20 long range bombers were employed.

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0. Day of September 9. Patrols of defensive fighters were
maintained in the area of Bristol. Reconnaissance missions were
performed over the English Channel and the Atlantic.

1. Night of September 8-9. Operations against shipping con-
cered off the Scottish coast and St. George's Channel. Night
fighters were active over East Anglia.

2. Aircraft Losses Recorded.

a. British Losses. No R.A.F. aircraft were lost on
September 8 other than the 3 B-27's mentioned above. The night
of September 8-9, 2 busters crashed in England.

b. Axis Losses. During the night of September 7-8, British
bombers shot down 2 He-111's and 1 Do-17 and damaged an unidentified
German plane. British night fighters shot down an He-111
over England the night of September 8-9.

3. British Air Activities. Other Theater.

a. North African Theater. Raided was bombed by 25 Wild-
 ingham the night of September 6-7. Military stores were said to
have been damaged.

b. Asia Air Activities. Other Theater.

a. Middle Eastern Theater. Small attacks were made on the
airfields at Mill Secund and Tobruk on September 7. Some was
attacked by 24 Axis aircraft the night of September 7-8. The re-
results of this raid have not been reported.

395

L. E. 0:39: 4:309 9/9/42

CONFIDENTIAL

Regraded Unclassified
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. J. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED SEPTEMBER 3, 1941

In foul weather at 03.30/7 Nigeria and Aurora engaged enemy force in inlet east North Cape; result obscure but seems certain that small destroyer, one trawler and another ship sunk. German Ems and another ship were hit and former may have been torpedoed by our side. We suffered no casualties but Nigeria damaged her bow by running a wreck in a smoke screen.

2. In east coast convoy attacked by E boat night September 6th-7th one British ship of 478 tons and one of rather more than 1456 tons were sunk.

3. Relating to air raid Alexandria night September 5th-6th Woolwich, Kandahar and Maine hospital ship slightly damaged by near misses.

4. Night of September 6th-7th 7 Swordfish attacked convoy of three merchant ships, 3 destroyers, 20 miles north of Fantelleria northward bound. Three hits made on merchant ship estimated at 6000 tons; last seen with heavy list. Ship tanker type estimated at 6000 tons also hit by two torpedoes.

5. September 7th 12 Blenheimies attacked shipping and believed hit merchant ship of 2000 tons west of the Hague; later seen enveloped in smoke. 1200 tons A/A ship was hit and blew up; two A/A missing.

6. Night of September 7th-8th over 300 aircraft dispatched from United Kingdom - Kiel and Boulogne attacked by about 50 each and nearly 200 plastered Berlin. Estimated centre of city severely damaged.

7. Only
7. Only about 17 enemy aircraft attacked United Kingdom but caused more damage than usual on East and South East coast.

8. South-east of Gomel Russians reported retreating to line of Rz, Dnepro. Some increase in military traffic Germany to Norway. A second Italian motorized division reported arrived at Tripoli (L) area.
PERSONAL AND
SECRET

Dear Mr. Secretary,

I enclose herein for your personal and secret information copies of the latest reports received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. I. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
Wolfgang has arrived in harbour. At 0800/3 Scheer seen
Northern Sangerfack steering north towards Cattle.

2. His Majesty's submarine demolished 120 foot railway bridge
south coast of Sicily night of August 27th/28th. H. M. Sub-
marine hit with torpedo Italian ship Aquitania and sank tanker
south bound in convoy off Marittima August 28th. August 28th
she hit and probably sank Duilio class liner south bound near
Capri. The latter in company with two Italian 19,000 ton
ships. Night 3rd/4th three Swordfish failed to find damaged
tanker outside Tripoli (L) but claimed destruction of destroyer
by one torpedo two miles outside the harbour. Merchant vessel
estimated 8,000 tons hit by one 500 pound bomb result not ob-
erved.

3. During week ending August 30th imports into Great Britain
totalled 519,278 tons compared with 1,375,958 tons in previous
week and average of 389,805 tons for past ten weeks.

4. Royal Air Force, 6th. Small force of Blenheim des-
patched with fighter escort to Cherbourg docks and Mazingarbe
(near Bethune) synthetic oil plant. Both attacks successful.
Several hits on oil plant and explosions. One Blenheim lost,
10 M.E. 109's destroyed; 11 probably and 5 damaged; we lost
8 fighters. A fortress bombed Rotterdam docks.

5. Libya. Night of 2nd/3rd. Wellingtons attacked Deraw and
landing grounds at Bardia and Gambia. 3rd, Syria. Fighters
destroyed without loss, at least 5 of the 20 Italian fighters
which attacked our landing grounds in Sidi Barrani area.

6. 6th, Our fighters destroyed 6 of the 20 Italian fighter
planes which approached Malta. 3 more Italian fighters of 12
covering rescue operations off Sicily were destroyed later.
2 Hurricanes missing.
German Air Force 4th/5th. 49 enemy aircraft of which 14 were over land. Principal activity mine laying and anti-shipping patrols off the East coast.

Libya, Egypt. Tobruk attacked. 2nd/3rd and night of the 2nd/3rd when mines also were dropped. No serious damage. 1 enemy aircraft destroyed and 2 probably destroyed. Same night 12 aircraft attacked Abu Sueir severely damaging Wellington.

Malta night 3rd/4th. 5 aircraft bombed damage negligible.
TELEGRAM RECEIVED FROM LONDON SEPTEMBER 4TH, 1943

H.M.S. Welshound on escort duty off Sheringham had been blown off by reported near miss. After part being towed to harbour.

2. Submarine Trident shelled merchant ship off Fredlund, Norway; scored 5 hits. 22nd. She sank German Ost Fuennew out of convoy of 4 ships entrance Fugle Sound. 30th. She attacked convoy of 4 ships escorted by destroyers trawlers and 1 aircraft off Skroen Island and hit 1,600 ton ship and 3,000 ton ship. Former believed sunk. 2 hours later the latter observed on fire with heavy list. Trident sustained no damage though 56 depth charges dropped round her. Enemy convoy of 6 merchant ships estimated between 8,000 and 15,000 tons escorted by 7 destroyers off Cape Spartivento September 3rd surprised by 9 Swordfish. 1 merchant ship estimated at 8,000 tons torpedoed and blew up, another 9,000 ton torpedoed amidships and 2 others hit by 3 torpedoes, these results not known. Convoy thrown into wild disorder, enemy destroyers firing in all directions.

3. Royal Air Force. Night of 2nd/3rd 36 tons of high explosive and 13,330 incendiaries dropped on Frankfort. Attack very successful. Many bursts seen on and around aiming point; one particularly large fire reported near railway centre and 2 others in dock area. 48 tons of R.E. on Berlin. Many bursts and fires seen within one mile radius of Alexander Platz very large fire reported centre of the city. 12 tons of R.E. dropped on Ostend, 1 aircraft previously reported missing has returned. 2nd/4th. 70 aircraft despatched against warships at Brindisi. All returned. Night of 2nd/3rd/ 9 enemy aircraft attacked Fort Said.
4. **Soviet Air Forces.** 36/4th, 50 enemy aircraft over-
land in Tyne area, remain in anti-shipping sorti area.

5. **Russia.** Threat to Leningrad increasing. German attack
south east of Canal being developed. Attempt to cross
Dnepr continuing.
TO: Secretary Morgenthau
FROM: Mr. Kamarok

Subject: Weekly Report: The Decisive Factor in the Russo-German War

Summary

The Russians have demonstrated that the German blitzkrieg can be stopped. The war has now become a war of attrition in men and materials. Russia has enough trained men but its production of war materials is much smaller than Germany's. If the Russians are forced to depend largely on their own productive resources after their reserves are exhausted, the Germans are assured of ultimate victory.

1. The German successes in the first year of the war were not due to a "secret weapon" as the almost forgotten Nazi propaganda of a year ago attempted to prove. The basic reasons for the victories of the German Army are now well-known. Most military observers would agree with the following British summary of the Reichswehr's technique:

"Each of the German offensives in this war - in Poland, in the Low Countries, in France, in Greece - has been based on much the same strategic conception and carried out on much the same tactical lines. The enemy has employed his armoured forces in close cooperation with his air forces and has pushed forward with relentless speed, making use of every opportunity which has presented itself of penetrating behind any organized line of resistance that he may encounter. His object has been to cut his opponent's lines of communication, to cause alarm and despondency among the civil population and to give no time
for the organization of any further resistance in the rear. Dive bombers have covered the advance of his armoured divisions, and parachutists and troops, armed with Tommies-guns and machine guns, carried in aircraft have been utilized to work behind his opponent's lines.

"...this plan of campaign has been signally successful - because the Germans have always been infinitely better provided with armoured vehicles and aircraft than their opponents, and also because their land and air-troops have been trained to work in the closest cooperation."

(The Army Quarterly, July, 1941)

2. Only the Russian Army of all the opponents of the Nazis has demonstrated its ability to stop the German lightning war. In the twelve weeks of the war, the German Army has not yet achieved a decisive success. Although threatened, not a single major city has yet fallen to the Nazis. The important Moscow offensive of the Germans was stopped six weeks ago. Since then, not only has no progress been made but the Germans have been forced back 60-70 miles from the farthest point reached, Vyazma.

It has become clearly evident that there are three main reasons why the Russians have not been defeated up to the present time.

(a) The Red Army possessed large enough masses of mechanized land equipment and large enough numbers of airplanes, and the knowledge of how to use them, to prevent the Germans from attaining overwhelming superiority in this field.

(b) The soldiers and civilian population have a superlatively high morale.

(c) The Red Army has developed successful tactics of defense. These tactics appear in main outlines to be as follows:
Defense is organized in great depth. While a surprise attack may overwhelm the first defenders, the lines of resistance in the rear are forewarned.

Friction in every manner is created to slow down the speed of the enemy’s armored forces. Encircled units do not draw the "logical" conclusion that resistance is hopeless and, therefore, surrender, but fight to the last man and last cartridge. The Germans are forced to detach men and equipment to wipe out these centers of resistance. When a Russian unit is disintegrated, every soldier becomes a guerrilla and attempts to take at least one German along with him to the grave.

The supplying of the panzer divisions is made difficult. In France, the tank units were able to a large extent live on the country, even obtaining a good deal of their gasoline from French gasoline stations. In Russia, the "scorched earth" policy forces the Germans to tie up large numbers of men and trucks to transport supplies for hundreds of miles from the German Reich.

The encirclers are encircled. In the earlier campaigns, the German armored divisions struck out boldly into the rear areas of the enemy with their own flanks exposed. They were able to do this successfully, because the shock and dismay caused to their opponent of finding the enemy in his rear resulted in a moral paralysis which prevented taking advantage of the situation. If this was not sufficient, the German overwhelming air superiority pinned down its enemy’s reserves and kept them out of action.

The Russians have not given way to despair when the German columns have broken through, but have seized such opportunities to strike at the weak spot between the tank units and the following motorized infantry. The lack of complete German command of the air gives the Russians some freedom to move their reserves to meet a threat, and these reserves can move as rapidly as the Germans can. The Red Army has thus been able to strike at the flanks of the German penetrations and encircle the encirclers.
3. The German blitzkrieg has definitely been stopped. The Germans no longer send long probing armored fingers for hundreds of miles behind the Russian lines, but confine themselves to a methodical, closely integrated advance of all elements.

The war has become a war of attrition - not at a 1914-18 pace but at the greatly accelerated 1941 tempo. The expenditure of men and material is at an unprecedented rate. And, as in all wars of attrition, victory will now go to the power which can longest stand the consumption of men and material. The Russians have sufficient trained man-power to win. However, in the even more important sphere of ammunition, ordnance, tanks, planes and other equipment, the Russian Army is at a marked disadvantage.

The Russians probably were equal to or superior to the Nazis in production of war material until the German annexation of Czechoslovakia. Since then, the Germans have added to their territory the industries and armament factories of all of Continental Europe, except Sweden and Switzerland, which also contribute to Nazi war production. While war damage, sabotage, dislocations, and shortages tend to curtail the effectiveness of these acquisitions, they still strengthen powerfully the war industrial potential of Germany. At the same time in these victories, the Reichswehr captured as booty most of the arms reserves of Continental Europe.

The Russians, on the other hand, have had to give up a large part of their territory and industry in the present war. These losses, together with the other dislocations caused by the war, have certainly reduced Russian industrial capacity by at least a third.

Even with the most optimistic interpretation of the facts, it is fairly obvious that present German over-all war production must be, at a minimum, twice that of the Russians. The requirements of the occupation forces and the defense against British attacks undoubtedly prevent complete concentration on Russia. Yet it is reasonably certain that, even accounting for all similar offsetting factors, the Russians are in a position of great inferiority.
The conclusion is inescapable, therefore, that if Russia is forced largely to depend on its own arms production alone, ultimate victory for the Germans is assured in the present war of attrition.
TO

Secretary Morgenthau

FROM

Mr. Kamarck

Subject: Merchant Shipping Losses (Chart Attached)

1. Losses in the last three months have greatly decreased; undoubtedly due to the German preoccupation with Russia. (The figure for August is preliminary)

2. The British have revised their shipping losses figures for the past year, so that the previous "policy" understatement, of which we were aware, has been eliminated. There is still some understatement of losses due to the exclusion from the figures of "missing ships" (i.e. not heard from again due to instant destruction or raider action) and losses of merchant ships serving as naval auxiliaries.
TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: Summary of Military Reports

R.A.F. in Russia

On September 12, R.A.F. fighters in North Russia carried out six missions escorting Russian bombers and made attacks on airdromes. One patrol destroyed two German Me-109 fighters, probably destroyed another, and damaged one Henschel (German Army observation plane). The British lost one fighter.

(U.K. London Telegram, September 14, 1941)

Russo-German War

The continued progress of the German drives southeast of Gomel and north from Kremenchug is diminishing the prospects of successful extrication of the Russians in the Kiev salient.

(U.K. London Telegram, September 14, 1941)

German Army Rations

Rations for the German Army were reduced on June 1 for the second time since the beginning of the war. For front-line troops, the week’s meat ration was reduced from 3½ to 3 pounds, and the week’s fat ration from 10½ to 8½ ounces. The week’s rations for other troops have been reduced to the level of the rations for civilian heavy workers, that is, 1 3/4 pounds of meat and 6½ ounces of fat.

A comparison with English Army rations follows:
Division of Monetary Research

Present German rations

<table>
<thead>
<tr>
<th></th>
<th>Meat</th>
<th>Fats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front-line troops</td>
<td>3 pounds</td>
<td>8½ oz.</td>
</tr>
<tr>
<td>Other troops</td>
<td>1 ⅓ pounds</td>
<td>6½ oz.</td>
</tr>
<tr>
<td>British U.K. Army</td>
<td>3½ pounds</td>
<td>31½ oz.*</td>
</tr>
<tr>
<td>British Middle East Army</td>
<td>4 ⅔ pounds</td>
<td>31½ oz.*</td>
</tr>
</tbody>
</table>

(*) 10⅓ oz. margarine, 21 oz. bacon

(The new rations of the German soldiers are certainly not small enough to cause a drastic decline in efficiency. However, the psychological effects of a declining standard, in spite of victories, may be important)

(U.K. Embassy, London Telegram, September 10, 1941)

Western Europe

During the night of September 13/14, 154 British bombers were dispatched to Brest (to attack the two German battle-cruisers) and Havre. Visibility at Brest was excellent until spoiled by the effects of a smoke screen. (This is the first mention, I believe, of the use of a smoke screen as protection for the battle cruisers).

(U.K. London Telegram, September 14, 1941)
Total shipping losses of England, the Allies and neutrals amounted to only 100,000 tons in November, 1941. This is lower than any other month, except March, 1940, since the beginning of the war. (The comparison to March, 1940 is suggestive. This was the month before the invasion of Norway and the submarines were being withdrawn in preparation for intensive action in April).

Launchings of British and American vessels were over 200,000 tons, or more than double the losses of the month.
Subject: Summary of Military Reports

Battle of the Atlantic

During the week ending September 13, imports in convoy totalled 1,540,000 tons. This is the highest week's total of the war. It included an exceptionally high tonnage of foodstuffs and 9,500 tons of tobacco. During the past year, there were 11 weeks in which imports in convoy exceeded 1,000,000 tons.

(U.K. Embassy, London Telegram, September 21, 1941)

According to the British Air Ministry, there are 10 Focke Wulfs (German long range four-motor bombers) at the Merignac airdrome near Bordeaux. (The Germans probably do not use more than 20-30 of these bombers altogether for attacking shipping).

(London, Military Attache, September 21, 1941)

R. A. F. in Russia

On September 17, eight Hurricanes destroyed four Me 109 fighters in North Russia.

(U.K. Embassy, London Telegram, September 21, 1941)

Use of American Planes

During the day of September 20, Emden was attacked by a Flying Fortress from an altitude of 31,000 feet. No anti-aircraft fire or enemy fighters were encountered. The bomb bursts were observed in the center of the city. (Remembering the effect the daylight raids on London had, these daylight attacks on German cities with bombs falling out of the sky without warning must do great psychological damage.)

(London, Military Attache, September 21, 1941)
On September 18, 15 Martin Marylands bombed enemy supply dumps and mechanical transport concentrations in North Africa.

(U.K. Embassy, London Telegram, September 20, 1941.)

During the night of September 19/20, six Marylands bombed supply dumps near Gambut, North Africa.

(London, Military Attaché, September 21, 1941.)

German Navy

On September 10, a 6,000 ton Dutch ship was torpedoed and sunk 400 miles North northwest of Natal, Brazil.

(U.K. Embassy, London Telegram, September 21, 1941.)

According to the British Air Ministry, the Admiral Scheer (10,000 ton, pocket battleship) has now left Swinemunde (middle of German Baltic coast) to which it was moved from Oslo. (It probably is going into action against the Russian fleet)

(London, Military Attaché, September 21, 1941.)

R.A.F. Activity

(The following two incidents illustrate the bomber wastage that occurs even without enemy action.)

During the night of September 20/21, the R.A.F. sent out 145 bombers, 77 to Berlin, 34 to Frankfort, 34 to Ostend. Very few of the bombers attacked their targets, as all of them were recalled because of the threat of fog over Britain. Seven bombers did not return (either lost over Germany or crashed in the North Sea on the way back.) Double this number, or 14, crashed in England.

(London, Military Attaché, September 21, 1941.)

During September 22, 11 Blenheims from Malta made an attack on Italian North African bases. Two of the bombers collided over the target and a third crashed on its return.

(London, Military Attaché, September 23, 1941.)
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. I. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
Telegram from London dated 21st September, 1943.

Week ending 13th September. Imports in convoy totalled 1,948,197 tons compared with 706,151 previous week and average 946,506 past ten weeks. This is the highest week's total of the war. During the past 12 months millions mark exceeded eleven times. This huge total included exceptionally large tonnage of food-stuffs and tobacco totalling 9,542 tons. A.U. of 20th September at Gibraltar HMS Denysdale, Durban, British 10,000 tons and oiling hulk Fiona shelled anchored in bay appeared torpedoed by one-man submarine; Denysdale seriously damaged. Durban may have been beached, Fiona shelled and sunk. City of Durban A/C arrived in Thames with 500 pounds unexploded bomb on board. In B-boat attack on convoy 20th total of 4 ships so far known torpedoed. Three sunk .......... fourth on 8,000 ton tanker possible. On 10th September Dutch ship 5,719 tons torpedoed and sunk 400 miles north northwest of Natal, Brazil.

2. 12th September. Soviet submarine K2 sank laden merchant ship about 3,500 tons by gunfire off Varanger Fjord. Two B-boat attacks were made on east coast convoy last night. No damage reported on sea side. Vivien and Maywell each considers damaged one B-boat.

3. 18th of 18th/19th September. British submarine attached convoy of three very large liners escorted by destroyers North Thames. One liner sank another probably sunk.

4. 20th September. Royal Air Force off Dutch coast attacked two convoys result merchant ship estimated 5,000 tons

Regraded Unclassified
5,000 tons set on fire, large tanker hit several times on escort vessel, ship estimated 7,600 tons hit amidships, another similar tonnage had back broken. During day 15 enemy fighters were shot down certain, two probable, six damaged. We lost 7 fighters, 3 Blenheim. In Mediterranean J Blenheim off Fortress hit amidships small heavily laden merchant vessel; she was set on fire, claimed sunk.

5. Night 20th/21st September. Nearly 190 bombers despatched to deliver heavy attack on Berlin, lightning attacks on Frankfort and Ostend, 9 missing. 20th September railway centre Hanseatic and Abbeville, shipyards near Rostock and Charleroi docks bombed by Blenheim and Hampdens, a fortress attacked inmates. 19th-20th September aircraft dropped 65 tons of high explosives and 2,000 incendiaries on Scotton. Many bursts seen in centre of town, on warehouses and main railway station.


7. Libya. Tripoli (L). 19th September Blenheim scored hits on enemy destroyed outside harbour. 20th September. 11 tons of bombs dropped on docks.

8. Russian Air Force. 20th/21st September. About 40 enemy aircraft penetrated over southern and eastern coastal counties. One was destroyed by our night fighters.

London, 21st 4:00 p.m., September 21, 1941.

1. **British Air Activity over the Continent.**

    a. **Night of September 20-21.** 23 tons of 12 and 1300 incendiaries were dropped.

    b. **Day of September 20.** London was attacked from 2100 feet by a B-37. No anti-aircraft or enemy fighters were encountered and bomb bursts were observed in the city. Other bomber operations were as follows: 24 Machines with fighter escort attacked shipping off Lusitania and the Rock of Holland, claiming hits on 5 medium sized motor vessels; 3 Machines attacked a fish oil factory on the coast of northern Norway; 28 Machines with fighter escort attacked the shipyards near Haam with good results; 6 Machines attacked docks at Cherbourg; 3 Machines attacked the railway center of Nancy; and 6 Hampdens attacked the railway center at Aixville, claiming many direct hits. A total of 2729 fighters were employed as follows: 259 in the protection of shipping, 68 on interception patrols, 398 on offensive operations and 25 on special missions.

    c. **Night of September 21-22.** A total of 245 bombers were dispatched as follows: 77 to Berlin, 36 to Frankfurt and 34 to the doeks at Ostia. Very few of these bombers attacked their targets as all were recalled upon a threat of fog over Britain.

2. **German Air Activity over Britain.**

    a. **Day of September 20.** 15 reconnaissance aircraft and 10 long range bombers were used.
b. 

1st of September 19-20. 5 long range bombers were employed.

c. 

2nd of September 19. Activity on this day consisted principally of defensive fighter patrols.

d. 

3rd of September 19-21. Night fighters were active over Lincolnshire and East Anglia. Long range bombers made a small raid over the Southampton and Portsmouth area. Operations against shipping took place off the south of the Theusor.

7. Aircraft Losses Reported.

a. 

British Losses. On September 20, three were as follows: 3 Blenheims, 7 Spitfires and 7 Halifax losty and 2 Spitfires damaged. Bomber losses the night of September 20-21 were, 7 were reported and 14 crashed in Britain, 9 of the crews of the latter being all safe.

b. 

Axis Losses. On September 20 there were as follows: 15 He-110s shot down, 2 He-110s probably destroyed, and 6 He-110s damaged. 1 He-311 was shot down the night of September 20-21.

4. British Air Activity. Other Theaters.

a. 

North African Theater. 6 Waylingtons attacked Benghazi the night of September 19-20. Supply ships near Tripoli were bombed by 6 Marylanders the night of September 20-21. On the same night, 7 Waylingtons bombed the harbor of Tripoli.

b. 

North African Theater. On September 21, 4 He-109s were shot down by 2 Mustangs while out on patrol.

5. 

Axis Air Activity. Other Theaters.

a. 

Middle Eastern Theater. 6 Axis aircraft attacked Some
the night of September 19-20. No important damage was caused.

The Admiral Schner has now left Scapa Flow, to which it
was moved from Orkney, according to the Air Ministry. This source
also states that aerial photographs disclose ten Focke Wolfes at
Birigne aerodrome, near Bordeaux.

I.B. 62., 9/22/42

Distributions:
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Section File
Collection Section
C. S.
C. F.
C. B. WH
BRITISH EMBASSY,
WASHINGTON, D.C.

September 22, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. I. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAF FROM LONDON DATED SEPTEMBER 20TH, 1941

Night of September 18th-19th homeward bound convoy C44 attacked by U-boats. Three ships reported torpedoed 200 miles east of Narsilik (Greenland) but no further particulars received. Canadian Corvette Levis 1 escort sunk.

2. September 18th. Five Swordfish attacked convoy off Trapani three torpedoes dropped believed one hit scored on merchant ship estimated 6,000 tons. Following night further attack made by Swordfish. Results uncertain. September 17th, four Blenheim sank two 800 tons schooner off Zuara both laden. Two Blenheim missing.

3. During night of September 18th/19th liner estimated 24,000 tons at Tripoli (L) probably hit during attack by four Wellingtons.

4. During operations Libya September 14th/15th we captured one German heavy tank with crew complete destroying 9 others. Eight Italian aircraft shot down. Sixteen airmen captured.

5. Reference OPTL September 12th/13th. Latest news of attack on homeward convoy C42 off Greenland shows ten ships sunk, five uncertain, one missing three believed torpedoed arrived United Kingdom. Remainder safe in harbour.

6. Royal Air Force. September 19th. During fighter sweeps over northern France and Belgium four goods trains, enemy troops and cargo ship were attacked. One fighter missing, two enemy aircraft destroyed. Coastal Command Blenheim estimates four hits on small merchant vessel Bay of Biscay. September 19th/20th. Over 70
aircraft bombed Stettin in good weather. Two
missing.
7. **Libya.** Sept. 17th/18th. Bengazi Tripoli (L)
Harbours attacked by heavy bombers. On September 18th
15 Marylands bombed enemy supply dumps and mechanical
transport concentrations. Sept. 18th/19th; 14 tons
of bombs dropped on Tripoli (L), 84,000 ton liner
probably hit. Further attack at dawn resulted in three
hits on this liner and two more on 8,000 ton merchant
vessel.
8. **German Air Force.** Sept. 19th/20th. One
German bomber destroyed off Lincolnshire by His
Majesty's ship.
9. **Russia.** Germans reported occupied Bologoje
Poltava and Geniwrk and entered Kiev.
LEVEL OF CODE CLASSIFIED
Received at the War Department
at 9:24 a.m., September 23, 1942

London, filed: 2:15 p.m., September 23, 1942.

1. **British Air Activity over the Continent.**
   a. **Day of September 22.** A total of 162 fighters were em-
     ployed as follows: 53 in the protection of shipping, 60 on in-
      terception patrols, 4 on offensive missions and 35 on special
      operations. Bad weather prevailed and no bombers were dispatched.

2. **German Air Activity over Britain.**
   a. **Day of September 22.** 5 reconnaissance aircraft and 5
      long range bombers were employed.
   b. **Night of September 21-22.** 50 long range bombers were
      used. 5 Ju-88's attacked Margate.
   c. **Day of September 22.** Because of bad weather operations
      were on a very small scale.
   d. **Night of September 21-22.** A few operations against ship-
      ping took place off Spurn Head and Lowestoft.

3. **Aircraft Losses Reported.**
   a. **British Losses.** None reported.
   b. **Axis Losses.** On September 22, 1 He-111 was probably
      destroyed.

4. **British Air Activity, Other Theaters.**
   a. **Mediterranean Theater.** A merchant vessel of 24,000 tons
      escorted by 6 destroyers was attacked by 5 Heinkels off the
      Bekirbahar Islands the night of September 21-22. 8 direct hits
      causing serious damage were claimed. 1 of the attacking bombers
      was damaged by anti-aircraft fire. In an attack the day of

CONFIDENTIAL
September 29, by 21 bombings from Milos, on military bases at
Milotsa and Mess, 5 tons of 38 were dropped and good results
obtained. 2 of these aircraft collided over the target and a
third crashed on its return.

I.B.
I. D. 5.6., 12 Sep, 9/29/43

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S.P.
L.D.
C.D. M.M.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE September 26, 1941

TO
Secretary Morgenthau

FROM
Mr. Kamarck

Subject: Military Report: Army Views on the Russo-German War

There are three sections in Military Intelligence whose work it is to follow developments in the Russo-German War: the Eastern European (Russian) Section, the German Section, and the Situations Section. The three sections provide the expert evaluations upon which Army opinion on the Russo-German War is based. A summary of the views of these officers, after three months of the Russo-German War, might, then, be of interest.

Lieutenant Colonel Betts, Situation Officer, in my judgment, is the most objective. He now acknowledges that he under-rated the Russian Army but, on the whole, he has proven himself to be fairly accurate in his estimates of the situation.

Major Smith, acting head of the Eastern European (Russian) section in the absence of Lieutenant Colonel Guenther, seems, in general, to have the same approach as Lieutenant Colonel Guenther.

Lieutenant Colonel Maguire, head of the German section, and Lieutenant Colonel Kramer, his assistant, appear to adopt the German public version of progress in the war. Lieutenant Colonel Kramer studied for a year at the German General Staff School and was with the German Army in its conquest of Poland.
Lieutenant Colonel Thomas J. Betts, Situation Officer

There is no doubt but that the Russians will keep the war going through the winter. The Russians will be able to keep Moscow but will probably lose Leningrad. On the whole, however, the situation looks pretty good for the northern and central Russian Armies.

In the south, the Russians have suffered a severe defeat but we do not know, as yet, the extent of their losses. It is quite probable, therefore, that the Germans may reach the Don before spring. We cannot estimate how strong the Russians will be when the German spring offensive opens. This depends, among other things, on how much assistance the United States and England give.

Major Smith, acting head, Eastern European (Russian) Section

The war will certainly last through the winter. Beyond that, it is impossible to predict. The Russians do not have a chance unless they receive a flood of supplies from the United States and England, backed up with British military forces.

The weather factor is being over-played, since it is not possible to predict what its effects may be. The Germans may wish to stop, however, at some line, perhaps East, perhaps West of Moscow, and put the main pressure elsewhere during the winter.

The Germans will certainly take "Petrograd".

The Russians are very good fighters because they have no fear of death or wounds. This may be a Slavic peculiarity due to the fact that the nervous systems of Slavs probably are not highly developed.

While no data is available, the Russians probably still have a first line air force of around 2,000 planes left.

The siege of Odessa is being carried on by Rumanians who are suffering very heavy casualties from Russian attacks. The Germans have left this job to the Rumanians because they have not wanted to tie up their own troops in a drawn-out siege operation.
Russia has asked for our secret bomb-sight but will not get it, if the decision is left to the Army. The Army would like to refuse to assist the Russians to force them to tell us the important vital facts as to the front. We have not been able to get any desired information, such as the number of divisions they have at the front, the number of planes available, where and when equipment furnished to them will be used.

Lieutenant Colonels Maguire and Kramer, German Section

The war is going according to the German plans. It is even doubtful that the Reichshehr has been delayed, since the Germans do not seem to be in any hurry to finish the campaign. It is not possible to predict what will happen, since only the German General Staff knows what is going to occur. One cannot say that the war will last until spring, since the Russians are likely to collapse. No army can take the hammering and continual defeats that the Red Army has been receiving and not collapse.

Lieutenant Colonel Kramer stated that, in his opinion, the weather would aid the Germans and not the Russians. The Russians need heavy replacements of men and equipment and will not be able to get them to the front because of the condition of the roads.

The Russian armies in the north and in the south have been beaten. The Russian army in the center did hold up the Germans. But when that was done, the German Panzer divisions slipped off to the south and helped take Kiev. Once Leningrad has been taken, the Germans will probably close a giant pincers on the central Russian armies. In any case, the progress of the Germans in the south will cut off the Caucasian oil fields and the route from Iran, while the northern German armies cut the Murmansk and Archangel routes. Thus the Russians, in any case, will be isolated from all aid.
Subject: Summary of Military Reports

Use of American Planes

On September 24, nine Hurricanes intercepted 24 Me-109 fighters over Sidi Suleiman in North Africa and damaged one. Two Tomahawks attacked a Ju-88 bomber and damaged it. Three Hurricanes and one Tomahawk were shot down. One pilot was rescued by another airman who landed in enemy territory and carried him off.

On September 28, Maryland bombers, some of which were escorted by fighters, attacked the Bardia area. Dumps, motor transport concentrations, and warehouses were hit. Four enemy fighters were probably destroyed. One Tomahawk and one Maryland are missing.

(U.K. Embassy, London Telegrams, September 26, 29, 1941)

Battle of the Atlantic

During the night of September 21/22 a convoy was attacked southwest of the Canary Islands. One British ship of 5,000 tons was torpedoed but may still be saved. The following night two more ships of the convoy were torpedoed west of the Canaries. (If the submarines involved were operating from France, they were 3,000 miles from home. If they were operating from Dakar, they were 1,000 miles from their base. If they were operating from the Spanish Canary Islands, they were only a few hundred miles from their base.)

A convoy from Gibraltar to England was attacked by a submarine on September 25. That night there were two more attacks. The next night, there were four attacks. The losses are estimated at eight ships.

(Both of these stories illustrate the submarine wolf-like methods of harrying a convoy.)

(U.K. Embassy, London Telegrams, September 23, 27, 1941)
R.A.F. in Russia

On September 26, Hurricanes, while on bomber escort, destroyed two enemy fighters and probably a third without loss.

On September 27, Hurricanes destroyed two more German fighters.

(U.K. Embassy, London Telegrams, September 27, 29, 1941)

Russian Navy

On September 26, a Russian submarine torpedoed two merchant ships, 8,000 and 5,000 tons, in Petsamo harbor. The ships were alongside the dock discharging cargo. After firing, the submarine broke surface and experienced heavy rifle and machine gun fire. Before the submarine regained the open sea, five hours later, she was heavily attacked with depth charges. (The Russian navy has been doing very well in the war, as this daring attack illustrates.)

(U.K. Embassy, London Telegram, September 29, 1941)

Italian Navy

A force of two Italian battleships, cruisers, and destroyers was at sea on September 27, east of Sardinia. They approached to within 95 miles of British forces (guarding the passage of a convoy to Malta) when they turned north and raced for Naples. (Evidently, the battleship fleet of six, with which Italy began the war, has been reduced to an effective force of two.)

(U.K. Embassy, London Telegram, September 29, 1941)

Iran

(The situation in Iran is becoming increasingly troubled.) There are tribal disturbances in two of the outlying provinces. The Banda Shapur (southern terminus of Iranian railway) army is disintegrating, and the Iranian authorities are no longer in complete control. Communications are becoming difficult.

(U.K. Embassy, London Telegram, September 27, 1941)
September 29th, 1941.

PERSONAL AND SECRET.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,
Dear Mr. Secretary,
Very sincerely yours,

R. I. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TAPLEHAN FROM LONDON DATED SEPTEMBER 24th, 1941.

Thunderbolt on 9th also bombarded Portim
Bosili Sirte. Night 23rd-24th during bombing of
Benghazi by six Wellingtons a ship at outer mole
blew up.

8. According to Finnish report which may well
be true Pions have crossed River Svir at several
points. Germans are continuing efforts to enter
Crimea against substantial Russian resistance.

9. Royal Air Force. 23th. As result of
attack on a JU 88 off Lizard one Spitfire missing.

10. Libya. 24th. Nine Hurricanes intercepted
at 12,000' off Sidi Salem and damaged one.
Two Tomahawks attacked one JU 88 which was damaged.
Three Hurricanes and one Tomahawk shot down but
pilots rescued one by another airmen who landed in
enemy territory and carried him off.
September 25th, 1941

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R. I. Campbell

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
During night of 21st/22nd convoy
attacked South West of Canaries. One British
ship of 5,000 tons was torpedoed but still may
be saved. Following night two further ships
of this convoy torpedoed west of Canaries.

A Beaufort scored one hit on 5,000
ton merchant vessel off South-West Norway.

22nd/23rd. Owing to adverse weather
conditions only few aircraft sent to Boulogne.
They returned safely, bombs seen to straddle
docks.

MEDITERRANEAN, 21st.
Two Klenheits attacked 24,000 ton liner
escorted by six destroyers off Bizan. Eight hits
obtained amidships and another on waterline.

LIBYA, 20th/21st.
Sudanese harbour again attacked by
Wellingtons.

22nd. Klenheits dropped 45 tons of
bombs on objectives at Kena (L) and Misurata.
Much damage inflicted on barracks blocks, motor
transport and dumps. 3 Klenheits lost.

Encircled Russian forces east of Kiev
believed attempting strenuously to break through
to the east. Germans while maintaining pressure
on them continuing thrust eastwards towards Kharkov.
PERSONAL
AND SECRET.

October 1st, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED SEPTEMBER 29TH, 1941.

Force of 2 Italian battleships, cruisers and destroyers was at sea on September 27th east of Sardinia and approached our forces to within 25 miles when they turned north and raced towards Naples.

2. On September 27th Nelson was hit by one torpedo from aircraft her speed reduced to 15 knots.

3. On September 26th, Russian submarine torpedosed in Freetown two merchant ships estimated 8,000 tons, 5000 tons. They were alongside discharging cargo. After firing, submarine broke surface when heavy firing from rifles, machine guns experienced. Before getting to sea 5 hours later she was heavily depth charged.

4. One 5000 ton British ship in Gibraltar unaccompanied was sunk night of September 27th, September 28th.

5. September 26th. Fighters attacked objectives in Northern France setting on fire 2 petrol trucks near Caen and damaging enemy aircraft and enemy hangars at Morlaix.

6. Night of September 26th, September 29th. 105 aircraft despatched to deliver medium weight attacks on Genoa and Frankfort; light attacks on St. Nazaire and Genoa. Near St. Nazaire good fires started amongst oil tanks, 5 aircraft missing.

7. On September 27th amongst other operations ten Beaufighters attacked aerodromes, seaplane bases Sicily and Sardinia. 36 seaplanes on water seriously damaged. 3 aircraft probably destroyed in the air.

8. Libya September 26th Marylanders, some escorted by fighters, attacked Bardia area. Dumps W.T. concentrations
and warehouses hit. 4 enemy fighters probably destroyed, one Maryland and one Tomahawk missing.


10. Russians resisting strongly in Pultava and Molotopel areas.
Dear Mr. Secretary,

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Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. J. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
THURSDAY FROM LONDON DATED SEPTEMBER 17th, 1941.

Homeward bound convoy from Gibraltar attacked by U-boat 26th and two further attacks night of 26th/27th; fourth attack night 26th/27th. Estimated losses about eight ships. Ammunition exploded on board S.S. Francesco leading at Liverpool. Casualties four killed, two wounded.

2. 26th. Royal Air Force destroyed two minesweepers and damaged two Flak ships off Dunkirk, also sank motor boat near Guernsey and destroyed three aircraft near St. Valery. Night 26th/27th. Wellingtons attacked Benghazi harbour. Same night and following night Swordfish and Wellingtons bombarded barracks at Tripoli and laid mines in harbour approaches. 26th September merchant ship of 1000 tons sank off Tripoli by Royal Air Force. Six Wellingtons bombed Valence night of 26th/27th, started numerous fires. 26th September 2000 tons merchant ship attacked by Royal Air Force and set on fire and left almost submerged off Genoa.

3. Royal Air Force 26th/27th. About 150 aircraft dispatched but recalled. Believed 5 raided Cologne, one bombed Genoa; others attacked charcoal ports. One missing, two crashed.

4. North Russia. 26th. Hurricanes on bomber escort destroyed two enemy fighters and probably a third without loss.

5. German Air Force 26th/27th. Very few aircraft over the coast, one destroyed by our fighters.

7. **Russia.** Murmansk front. German forces southern flank driven across Litsa river. Headquarters of 138th German Infantry Regiment captured with operation documents. German pressure towards Kharkon and the Crimea.

8. **Iran.** Tribal disturbances Ajerbaijan and Hindistan. banda Shapur army disintegrating, Iranian authorities no longer in complete control. Communications becoming difficult.
REPORT

1. The German 8 cm FlaK 38 gun has proved to be an effective close-in defensive weapon. The gun has a high rate of fire and can be easily maneuvered by the crew. It is well suited for close-in combat and can engage targets at ranges up to 3,000 meters.

2. The gun is powered by a 12-cylinder diesel engine and is mounted on a tracked vehicle. The gun has a maximum elevation of +70 degrees and a depression of -10 degrees.

3. The gun is equipped with a stabilizer system that allows it to maintain its aim despite vehicle movement. The gun has a maximum rate of fire of 500 rounds per minute.

4. The gun can be used in both anti-air and anti-tank roles. It has proven effective against both low-flying aircraft and armored vehicles.

5. The gun is well protected and can withstand direct hits from 5 cm and 8 cm shells.

6. The gun is easy to handle and operate, and can be moved quickly from one position to another.

7. The gun has been used successfully in European operations and has proven to be a valuable asset to the German forces.
Subject: Military Report: Development of Plane Types in the R.A.F. since September 1939

Summary

In contrast to the German Air Force, which has depended mainly on modifications in its old types to keep up to date, the R.A.F. has not only introduced new models of old types, but has introduced many new types. The Luftwaffe has brought out new types generally only to perform new functions. The R.A.F. has done this, but has also brought out new types to replace those already in use. Since September 1939, the British have put into service six new fighter types, three new bomber types, and have used extensively three American fighters and four American bombers.

1. The R.A.F. is still in large part fighting the war with 1939 airplane types: Hurricane and Spitfire fighters, Blenheim, Beaufort, Hampden, Wellington, and Whitley bombers. However, all of these have been modified so as almost to have become new plane types. Engines of greater horse power are now being used, 1,400 horse power motors replacing 1,000 horse power. Armor-plate protection for the pilots, self-sealing gasoline tanks, and more guns have been added. The most recently produced Spitfires now carry either 12 machine guns or two cannon and four or six machine guns.

2. In addition, the British have introduced a large number of new types since the beginning of the war. Some of these have been in service for a considerable period. Since September 1939, six new fighter types have been introduced.

(a) The Boulton-Paul Defiant two-seater fighter was designed to fight at night and is now being used as a night fighter. But it made its bow at Dunkerque with great success. Although much slower than ordinary fighters, it was able to slaughter Nazi planes by its surprise broadside attack from its four-gun turret.
(b) The British, finally, a year ago started replacing their out-moded, bi-plane, under-gunned, airplane carrier fighters with the eight-gun Fairey Fulmar.

(c) A few months ago, the first British long-range fighter, the Beaufighter, appeared. This plane has the greatest armament carried by any plane to date, four cannon and six machine guns. Strictly speaking, this airplane should not be classified as a fighter since it is not fast enough, nor maneuverable enough to stand up to a real fighter. The German classification of "Destroyer" is better since its primary function is to destroy bombers. It has been used mainly to ambush German bombers on their return to their airbases.

(d) Another long-range fighter, the two-motor, 12-gun, Whirlwind, is also being introduced. The first notable action in which Whirlwinds took part was the daylight bombing of Cologne on August 12. Apparently, the Whirlwind has not been very successful since it did not have sufficient range to convoy the bombers the whole distance to Cologne, but had to turn back over Holland.

(e) Two more new fighters have been reported, the Typhoon and Tornado, but have not yet been mentioned in action.

The British have three new bomber types, the four-motor Stirling and Halifax and the two-motor Manchester. All three of these bombers are being introduced into operational squadrons. The burden is still being carried, however, by the older types. This can be shown best in a sample night's activity.

During the night of September 19/20, 72 bombers were sent out. The composition of the raiding squadrons was as follows:

<table>
<thead>
<tr>
<th>Old Types: Wellingtons</th>
<th>46</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitleys</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>55</td>
</tr>
<tr>
<td>New Types: Stirlings</td>
<td>10</td>
</tr>
<tr>
<td>Halifax</td>
<td>4</td>
</tr>
<tr>
<td>Manchester</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17</td>
</tr>
</tbody>
</table>
3. Another important change in the R.A.F. since the beginning of the war is the addition of American types. The British are now making active use of four American planes in northern Europe: Lockheed Hudson reconnaissance bombers, Consolidated Catalina patrol bombers, Douglas DB-7s used as night fighters, and Boeing Flying Fortresses heavy day bombers.

In the Middle East, Curtiss P-40's probably make up half of the British fighter force, while the Martin Marylands form the greater part of the bomber squadrons.

In the Far East, Brewster Buffalo fighter planes are the bulwark of Singapore.

4. To keep up-to-date, the German Air Force has depended mainly on modifying the design of its basic types already in use. The latest German fighter, for example, is model F of the old Messerschmidt Me-109 that saw action in Spain, Poland, and France. In this way, the Nazis have secured the advantage of minimizing the interruptions in production.

The few main new types the Germans have brought out have been, generally speaking, to meet new needs which could not be satisfied by any of the old types.

In the spring of 1940, the Messerschmidt Me-110 made its appearance. This is the two-motor long-range fighter which is used as a bomber escort for long-range bombing. In the last year, the Focke Wulf Condor appeared. The Condor is a four-motor long-range bomber, designed for attacks on British convoys. A new Junkers bomber, the Ju-88 was also introduced in 1940. This bomber, which can be used for either level or dive-bombing, proved to be more useful than the narrowly specialized Ju-87 or "Stuka".

The Germans did produce two new fighters which were apparently designed to replace the standard Me-109. These two, the Heinkel 113 and Focke Wulf 187 Zerstoerer (Destroyer), were tried out over England but may have proved a failure, since they have not been used again.
Russo-German War

The Finns have cut the Murmansk railroad at Petrozavodsk. This does not cut off, however, the use of this route since there is a branch line from the railroad running along the southern shore of the White Sea to Archangel.

The Germans are on the defensive from Leningrad to just above Smolensk. From Smolensk to the northern Ukraine, the German Army has launched a general attack directed at present at Moscow. Some initial progress has already been made.

(M.I.D., Situation Report, October 7, 1941)

During the week ending September 27, the main part of the German fleet made a war cruise in the Baltic. The following units are still in the Baltic:

1 battleship (Tirpitz, 35,000 tons)
1 pocket battleship (Luetzow, 10,000 tons)
1 eight-inch cruiser (Hipper, 10,000 tons)
3 six-inch cruisers (Nuremberg, 6,000 tons; Koen, 6,000 tons; Emden, 5,400 tons)
2 old battleships (Schlesien, Schleswig-Holstein, 13,000 tons, built in 1906)

The pocket-battleship, Admiral Scheer, which also took part in the cruise, was in the Hamburg shipyards on September 28, presumably for repairs.

(The other major units of the German Navy are at Brest:

2 battle cruisers, (Scharnhorst, Gneisenau, 26,000 tons)
1 eight-inch cruiser (Prinz Eugen, 10,000 tons)

(U.K. Embassy, London Telegram, September 30, 1941)
Sinking in American Waters

During the night of October 1/2, a 13,000 ton tanker in a convoy was torpedoed 770 miles east northeast of St. Johns, Newfoundland.

(U.K. Embassy, London Telegram, October 2, 1941)

Vichy Africa

On September 29, a British Sunderland flying boat on convoy escort duty, owing to an error in "briefing" pilot (giving orders to the pilot), reconnoitered Dakar. It was attacked by four French Mohawk fighters (Curtiss-Wright P-36's). A second Sunderland flying boat came up. One French fighter was destroyed, others damaged.

(U.K. Embassy, London Telegram, October 2, 1941)

Mediterranean

The British H.M.S. Hermoine (light cruiser) bombarded the Italian naval base of Pantellaria (small island in the straits between Sicily and Africa) during the operations passing a convoy through the Mediterranean to Malta.

(The British have a regular offensive-defense pattern for bringing their Mediterranean convoys through. This has evolved during the war and makes possible an operation which was judged impossible by most naval and air experts before the war. While the convoy is passing within air range of Italy, British bombers attack the Italian air bases in an attempt to keep the Italian air force out of the air. At the same time, naval units bombard the mosquito-boat submarine nest at Pantellaria.)

(U.K. Embassy, London Telegram, October 2, 1941)
PERSONAL AND SECRET

October 6th, 1941

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.
United States Treasury,
Washington, D.C.
SIEGFRIED RECEIVED FROM LONDON BASED  
OCTOBER 20, 1940

N.N. 500 Brevine bomber attacked Italian naval base Pantelleria during operations passing convoy to Malta. Right of 1st/13th. Total 2,500 tons in convoy comprised 770 miles east north east off 30. Jutah (N.J.).

Right of 30th/1st. 1st, convoy off Dutch coast attacked by aircraft of coastal command. Direct hits scored on vessels, estimated 2000 tons and 30,000 tons. Both attacking aircraft were on patrol. F.S. 1st/13th eight Hurricanes attacked eight E boats off Myspea. All E boats hit and damaged. Right of 1st/13th/19th aircraft hit two small merchant ships off North Frobisher Island. Under estimated 2,000 tons also attacked and sunked. Right of 30th/19th/ 30th, two Bunsen attacked by thirteen Wellingtons, several direct hits made on merchant ships alongside Myspea.

ARMY: German advance from Peltene towards Harkev meeting stiff resistance and German progress in Puntun Isalune has been halted.

BATTLE AN FOR. Sept. 30/Oct. 1st, 61 tons E.N. Capped Harkev, 30 Chatevegund and 30 Stettin. Hits seen on Make and Van air from factory and railway junction at Harkev. At Chatevegund bunks full in docks area and at Stettin hares seen in canteen of train. October 1st, two fighters destroyed two enemy fighters, two Spitfires on air reserve operations and one on photographic reconnaissance missing.
TELEGRAM RECEIVED FROM LONDON DATED
     OCTOBER 2nd, 1941.

H.M.S. Hermeus bombarded Italian
Naval base Pantelleria during operations passing
convoy to Malta. Night of 1st/2nd, Tanker 20,000
tons in convoy torpedoed 770 miles east north east
east off St. Johns (H.M.S.).

Night of Sep. 30th-Oct. 1st, enemy
convoy off Dutch coast attacked by aircraft of
coastal command; direct hits scored on vessels,
estimated 2000 tons and 10,000 tons. Both attacking
aircraft were on patrol. P.M. October 1st eight
Hurricanes attacked eight E boats off Dieppe. All
E. boats hit and damaged. Night of October 1st/2nd
aircraft hit two small merchant ships off North
Friesian Islands. Tanker estimated 2,000 tons
also attacked and straddled. Night of Sept. 30th/
30th, when Bannagi attacked by thirteen Wellingtons,
several direct hits made on merchant ships alongside
Hela.

RUSSIA. German advance from Poltawa
towards Kharkov meeting stiff resistance and German
progress in Forelup isthmus has been halted.

ROYAL AIR FORCE. Sept. 30/Oct. 1st.
61 tons H.E. dropped Hamburg, 39 Cherbourg and 29
Stettin.  H.M.V.K. and Voss air frame
factory and railway junction at Hamburg. At
Cherbourg bomb fell in docks area and at Stettin
bursts seen in centre of town. October 1st, Our
fighters destroyed two enemy fighters, two Spitfires
on sea reserve operations and one on photographic
reconnaissance missing.
Night of October 1st/2nd. Enemy air activity United Kingdom very slight. Night fighters shot down two, 83 of our aircraft delivered medium weight attacks on Karlsruhe and Stuttgart. One missing.

Libya 30th/1st. Wellingtons attacked M.T. depot Tripoli (2) many direct hits seen and large spreading fire.

Africa. 29th. Sunderland on convoy escort duty reconnoitred Dakar owing to error in "briefing" pilot, it was attacked by four French Mohawk fighters and joined by second Sunderland. One French fighter destroyed and others damaged.
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

R. J. Campbell

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED SEPTEMBER 30th, 1941

1. Naval: During operations in the Mediterranean, 13 enemy aircraft brought down by anti-aircraft fire and fighters. Three of our aircraft lost one ran out of petrol and two shot down flying low during enemy attack with torpedo aircraft; only one of crew was lost.

2. British submarine on patrol in Adriatic damaged enemy tanker on 18th, another on the 24th and sank one ship off Dalmatian coast on 23rd.

3. During the past week majority of effective German main naval units including “ Tirpitz” and “ Schaar ” have carried out a war cruise in the Baltic. Following units are still in the Baltic; one battleship, one pocket battleship, one eight inch cruiser, three six inch cruisers and two old battleships. Photographic air reconnaissance reported “ Schaar” in Hamburg shipyard on September 28th, presumably for repairs.

4. Russians inflicting heavy casualties on German forces attempting advance in Novomoskovsk Daispherepskov area.

5. September 29th. Fighter command carried out small offensive patrols over French and Belgian coasts. A barge left sinking and patrol boat set on fire. A bomber destroyed on the ground. Three of our aircraft missing. Two pilots safe.

6. September 29th-30th. Nearly 550 aircraft sent to targets including Stettin, Hamburg and Havre. 10 missing. Most aircraft identified primary targets.

7/ Libya
7. Libya. September 27th-28th. Attack was renewed on an enemy ship in Bardia harbour. Bombs fell near ship and three large fires started in docks.
8. September 29th. 6 Blenheims attacked Buerat, Gulf of Sirte, causing extensive damage to wireless station, motor transport and stores dumps.
9. Sicily. September 29th. 18 Hurricanes made three separate attacks on Comiso aerodrome dropping two tons of bombs. Hits scored on hangars and buildings, two seriously damaged.
10. Rhodes, September 27th-28th. 11 Wallingtons successfully attacked the harbour.
Use of American Planes

London announced on October 10 that Airacobra fighters had been employed especially for protection of long-range bombers during their attacks on Nazi-occupied positions on the continent.

(M.I.D., Situation Report, October 11, 1941)

On October 7, Axis supply concentrations near Gambut, Libya were attacked by nine Maryland bombers protected by 21 Tomahawks. One Me-109 fighter was shot down and another damaged.

(London, Military Attaché; U.K. Embassy, London Telegram, October 9, 1941)

On October 6, twelve Tomahawks engaged fourteen Me-109 fighters in the Sidi Omar area. One Me-109 was destroyed, another, probably destroyed. Two Tomahawks were lost.

(U.K. Embassy, London Telegram; London, Military Attaché, October 8, 1941)

R.A.F. in Russia

On October 6, the R.A.F. airfield at Murmansk in northern Russia was attacked and bombed. Fourteen Axis bombers and six fighters participated. The Hurricanes protecting the field shot down two Ju-88 bombers, one Me-109 fighter, probably six more Ju-88s were crippled and three Ju-88s were forced to turn back. (That leaves three that got through). The R.A.F. sustained no losses and there was little destruction resulting at the field.

(The R.A.F. wing aiding the Russians is, therefore, evidently located near Murmansk and is operating against the German and Finn forces threatening Murmansk).

(London, Military Attaché, October 8, 1941)
Air Developments

Comiso Airfield (Sicily) was bombed by nine Hurricanes during October 6. During the night of October 6/7, high explosive bombs totaling 12 tons were released by eight Hurricanes over Tripoli harbor. Apparently, one 10,000 ton ship was damaged. (This is the first mention of the use of Hurricane fighters as bombers. Apparently, the British have taken a leaf from the Nazi book. The Germans last year used fighters to bomb London by day. Although fighter planes used for this purpose cannot carry a heavy load of bombs, nor have a long range, there are certain advantages. If attacked by fighters on their way to the objective, the bomb-carrying fighters jettison their bombs and can defend themselves. If they reach their objective, after dropping their bombs, their speed is great enough to escape the interceptor fighters taking off.)

(London, Military Attache, October 5, 1941)

While on interception patrol over the Devonshire District, a Beaufighter (British long-range fighter, 4 cannon, 6 machine guns) was allowed to approach to within 400 yards of a He-III bomber. The He-III, then, deliberately climbed and dropped six cannisters, approximately one foot in length, which were attached by nearly one yard of wire to a parachute. There was no apparent attempt to take cover in the clouds. (This may have been an attempt to jettison some parachute land mines or a new form of defense.)

(London, Military Attache, October 5, 1941)

Nazi Activity in Western Hemisphere

During the night of October 4/5, a small British vessel carrying bauxite from Georgetown to Trinidad had an internal explosion when east of Trinidad and sank. Sabotage is suspected.

(U.K. Embassy, London Telegram, October 7, 1941)
CURRENT SURVEY OF THE INTERNATIONAL SITUATION

October 7 - 14

The war in Russia continues to occupy the obviously central position in the international scene. Last week's picture is still valid to the extent that the peripheral powers have their attention riveted on Russia, and that in every case their future policies must reflect the outcome of the struggle for Moscow. The short-run picture is a somewhat different one, however. Here the Anglo-Saxon bloc has won successes of one kind or another in Indochina, France, Turkey, Spain, and even Panama. These successes should, however, be accepted with the greatest reserve, and all but that in Panama may soon be the subject of serious change.

Indochina has been the scene in the past fortnight of steadily widening Japanese activity. The hand of the Japanese army has been closing steadily on the Saigon and Hanoi areas, and present preparations seem clearly to indicate the arrival of much larger military forces. A Japanese press campaign has pictured the menace to Indochina of Chiang Kai-Shek's army, and lends color to the fear of the French that large forces are soon to be debarked at Haiphong.

The Vichy government has quite naturally sought to exploit this situation to enlist our aid against the Japanese.
They began by playing the well-known chords of the Open Door Policy, and urged that, by opposing Japan, we should be rescuing our own chestnuts as well as theirs.

At this point the maladroit tactics of the Japanese played into their hands. The latter needed oil storage space at Saigon. They requested the Standard and Texas Companies to lease them storage space and to hand over information on other facilities. The French government in Indochina weakly (and perhaps cleverly) told the two American companies that they must comply or have their tanks requisitioned by the French government to prevent their seizure by the Japs. The companies refused. Our government gave them its support and warned Japan sharply that such a seizure would constitute an unwarranted intervention in our interests.

We then induced Vichy to direct its Indochinese government to refuse to requisition the tank space. And Vichy took the final step when it warned Tokyo that it would resist, by force if necessary, any encroachment of the Japanese which went beyond the terms of the recent accord with Indochina. The newly established entente in Indochina between Vichy and the United States seems to have drawn a line beyond which the Japanese have been told not to go.

In Manchukuo quiet continues to prevail in the strictly military sphere. Few troops movements are reported. On the other hand, the construction of trenches and air-raid shelters goes on apace in various places. And our consul at Mukden
reports a curious phenomenon: At a mass meeting of White Russians on October 3, instructions were given as to the service they were expected loyally to give Japan, and they were told that an emergency would exist in Manchukuo within the next two months.

The other center of interest is the Near East. The Anglo-Saxon bloc won the first round of the chrome battle, and no ore is to go to Germany this year or next. But the Nazis finally secured the prior right to 90,000 tons in 1943 and again in 1944. Apparently the British are satisfied, and both they and the Turks feel that an international arrangement covering 1943 has about the same validity as a description of heaven. Our own ambassador, Mr. MacMurray, however, believes we have suffered a notable defeat, that the repercussions on Turkish morale will be unfortunate, and that German propaganda in the Near East will exploit this victory to the full.

Reports from Iran have emphasized the unfortunate character of the activities of the Soviets, who have been alleged to be lending encouragement and support to separatist movements. We have been particularly disturbed about the only too probable reactions of the Turks to any nationalist movement among the Armenians. Vyshiriski has just now roundly denied all such allegations of Russian activity; and the Soviets have agreed to remove their troops from Teheran with the signing of the projected Tripartite Treaty. Our minister
also suggests that the mutual distrust and non-cooperation of the Russians and British may seriously compromise the effort to ship supplies to Russia through Iran.

In the Libyan-Egyptian sector there are indications of approaching military activity. The consul at Tunis notes a very considerable increase during the past few days in sea and air traffic toward Tripoli. The recent accord between Vichy and Italy is being rapidly implemented, and a train a day is leaving Tunis for Gabes with wheat and other supplies. There is much speculation concerning the transfer in the not too distant future of large elements of German air strength from the Russian front to Libya.

Rumors from Cairo suggest that there may be an early British military move in Libya as well. But the realities of British preparedness, as revealed in the stark reports of Mr. Kirk, do not offer much encouragement in this connection. The Port of Suez, where unloading is subject to the direction of four different authorities, is in a chaos of disorder. Tanks and their essential spares, although arriving on the same vessel, are frequently separated and even completely lost. Cooperation between the army, navy, and R.A.F. is often shamefully lacking. Mr. Kirk is of the opinion that a unified command and a coordinated system of control must be instituted at once or the most serious results will follow.
The Spanish government is evincing genuine eagerness to implement the newly developing economic detente with the United States. It is obvious, as was suggested last week, that Spanish policy is being guided here, not by preference or ideology, but by the grim realities of economic necessity.

The palace revolution in Panama has been managed with such dexterity that our government has chosen to take the Panamanian view of things—that the changes are all perfectly constitutional and that, therefore, the problem of formal recognition of the new regime does not even arise. In any event the new President has gone out of his way to assure us that the allegedly pro-Nazi policies of his predecessor are a thing of the past, and that we can rely on the cancellation of the earlier prohibition of the arming of ships carrying the flag of Panama, and that the German consulate will be closed. Both promises are off the record for the present, but these steps will be taken at the earliest moment that they become diplomatically practicable.
British Aid to Russia

The British Air Ministry claims that their attacks on Germany have kept half the Luftwaffe fighting force on the Western Front and thus aided in preventing the Germans from gaining control of the air over the Eastern Front.

(M.I.D. Situation Report, October 15, 1941)

(On August 14, our London Military Attaché reported that the R.A.F.’s day fighter sweeps have not been successful in relieving German fighter pressure on the Russian front).

A supply convoy from the United Kingdom has arrived at Archangel. (This may be the origin of the Swedish story of a British Expeditionary Force in North Russia).

(U.K. Embassy, London Telegram, October 12, 1941)

Albacores (Fairey Fleet Air Arm torpedo biplanes) from the aircraft carrier Victorious, bombed and set on fire 1,000 ton merchant ship in Vest Fjord (off Narvik). Two south bound merchant ships of 2,000 tons escorted by anti-aircraft ships were also hit and a small Norwegian merchant ship was abandoned after being hit. (This activity should curtail the flow of supplies along the Norwegian coast to the German and Finn forces attacking Murmansk).

(U.K. Embassy, London Telegram, October 11, 1941)

Battle of the Atlantic

During the week ending October 8, 821 ships were convoyed. Imports into the United Kingdom totalled 796,584 tons. One cruiser, four anti-aircraft ships, six AMC’s (auxiliary merchant
cruisers), 93 destroyers, including 20 United States destroyers, and 95 of His Majesty's other ships (probably mostly corvettes) were employed on escort duty (or a total of 199 ships to convoy 821 merchantmen, or almost one escort ship to protect every four merchant ships).

(U.K. Embassy, London Telegram, October 11, 1941)

During September, 10,720 tons of cargo destined for the enemy were seized. Seizures since the beginning of the war total 810,239 tons.

(U.K. Embassy, London Telegram, October 11, 1941)

French Collaboration with Hitler

French collaboration with Germany increases. A joint German-French aircraft production scheme has been worked out according to which factories in both the occupied and unoccupied zones of France expect to produce 500 planes monthly by August, 1942. Port Caronte (a part of the port facilities of greater Marseilles) has been given up to Axis cargoes carried in French ships from North Africa and Spain.

(U.K. Embassy, London Telegram, October 11, 1941)

63 ships totalling 207,000 tons, out of 90 Allied and neutral ships detailed by Vichy, are reported to have been taken over by the French. 21 of these, totalling 96,000 tons, have already been placed under direct Axis control. The majority will work for the Axis under cover of the French flag. Some are reported sent to Italian ports manned by Germans. 42 of these ships are, at present, in the Mediterranean.

(U.K. Embassy, London Telegram, October 10, 1941)

(N.Y. Times, October 15, report from Lisbon, Portugal:)

"From unimpeachable sources here there are indications that General Maxime Weygand, delegate-general of the Vichy Government in North Africa, has much increased his prestige and authority since his appointment to that post."
Conditions in the Axis Countries

The acute shortage of textiles in German Europe has resulted in at least a 25 percent reduction in the German clothes ration (which was low enough before) and an embargo in Italy of the sale of clothes, pending the inventory of stocks and even wardrobes. Germany is making intensive efforts to get cotton from Turkey, wool and manufactured goods from Spain.

German anxiety over food supplies for the winter is reflected in the rationing of potatoes in some provinces.

(U.K. Embassy, London Telegram, October 11, 1941)

German Navy

Photographic reconnaissance recently showed the Admiral Scheer (pocket battleship) in floating dry dock at Hamburg. She may be damaged or suffering mechanical defects. (This ship has now been in dry dock since September 28, or about two weeks).

(U.K. Embassy, London Telegram, October 11, 1941)

Use of American Planes

On October 10, nine Marylands attacked about 50 tanks and 200 trucks east of Tobruk. Three of these received direct hits.

(U.K. Embassy, London Telegram, October 12, 1941)

Japan

Since July 1941, the daily average of Japanese merchant ships outside Japanese waters has fallen from 172 to 40 on October 6 (a 75 percent decrease).

(U.K. Embassy, London Telegram, October 12, 1941)
"His concern for the welfare of the native population is much appreciated in these hard times.

"The barter agreement between North Africa and the United States is proving a great boon."

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(U.K. Embassy, London Telegram, October 12, 1941)
BRITISH EMBASSY,
WASHINGTON, D.C.

October 14th, 1941.

PERSONAL AND SECRET.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TELEGRAM FROM LONDON DATED OCTOBER 18TH, 1941.

A supply convoy from the United Kingdom has arrived at Archangel.

2. Enemy aircraft again attacked Faroe Islands p.m. October 11th; a Norwegian trawler was sunk and houses were machine gunned.

3. Small Greek merchant vessel in convoy was sunk by mine off Hanover October 10th.

4. Small British merchant vessel was bombed and sunk off the East coast early this morning.

5. Canadian Government tanker has now arrived at Iceland.

6. Tobruk. As a counter to enemy night operations with tanks against our forward observation posts on October 9th 18 of our Infantry tanks successfully intercepted an enemy tank formation and forced it to withdraw. 30 German tanks took part of which many were certainly damaged. Our losses sustained only minor repairable damage and we had two casualties.

7. R.A.F.ORB. October 9th/10th. Revised casualties. 16 bombers missing, 4 crashed, 1 crew killed.

10. October 10th/11th. Objectives were attacked as follows. Krupp Works: 56 aircraft, 99 tons of high explosives, 4500 incendiary bombs.

Salerno. 56 aircraft, 76 tons of high explosives, 4500 incendiary bombs.

Dubrovnik. 10 aircraft, 16 tons of high explosives, nil.

Herakleia. 9 aircraft, 6 tons of high explosives, 1000 incendiary bombs.

Salerno. 16 aircraft, 97 tons of high explosives, 240 incendiary bombs.

Regraded Unclassified
Aircraft, 10 tons of high explosives, 900 incendiary bombs.

Total - 120 aircraft, 196 tons of high explosives, 14,690 incendiary bombs.

Bad weather prevented accurate bombing but many fires were started and one 4,000-pound bomb was seen to burst in the centre of Cologne.

10. October 11th. Some small offensive operations were carried out by our fighters over Northern France.

11. October 11th/12th. 50 aircraft were sent out 27 to raiden and 18 see mining - all returned safely.

12. Libya. October 9th/10th. Successful attacks were made on Benghazi harbour stores and two aerodromes. October 10th 9 Marylandes attacked about 80 tanks and 200 mechanical transports east of Tobruk, 3 of which received direct hits.

13. Mediterranean October 10th/11th. Naval aircraft from Malta attacked an enemy convoy two merchant vessels of about 6,000 tons were seriously damaged and stopped.

14. German Air Force. October 11th/12th. One J.U. 88 collided with aircraft, both being destroyed and another enemy bomber landed near Dungeness and was severely damaged - the crew of 4 being captured. Bombing was somewhat heavier than recently but was scattered.

No damage of national importance and casualties small. An air-raid precaution headquarters damaged at Tonby and some damage to utility services at Great Yarmouth and Whitstable.

15. Bulgaria. It is reported that 50,000 men are now engaged.
engaged on railway construction work and 89,000 on roads. Railway between Stalingrad and Ebruc (Adrianople) will not now be repaired until early December.

15. **JAPAN.** Since July 1941 daily average Japanese merchant ships outside Japanese waters has fallen from 178 to 40 on October 6th.

16. **Aircraft casualties over and from British areas.** German 2 destroyed and British nil.
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Henry Morgenthau, Jr.
United States Treasury,
Washington, D.C.
TELEGRAF FROM LONDON DATED OCTOBER 11, 1941.

Albancese from Victorious battered and set on fire 2,000 ton merchant ship in VEST Fjord. Two South bound merchant ships of 2,000 tons escorted by A/A ships also hit and small Norwegian merchant ship abandoned after being hit.

9. During last week shipping losses light. Winter gales started in the Atlantic interfering with movement of convoys. Successful attacks against enemy shipping in the Mediterranean have continued by British submarines and aircraft.

8. Fog over the United Kingdom and continent has restricted air operations but night of 10th/11th of October 150 aircraft raided Kрупп, Essen, Cologne, Dunkirk, Bordeaux, Ostend, Rotterdam and searchlight held in Ruyz; 15 aircraft not yet reported back.

4. Qaap. Night of 10th/11th October, 25 enemy aircraft operated against this country near ...........ham and in East Suffolk. No material damage, one enemy bomber destroyed by night fighters.

6. Naval. During week ending October 8, 251 ships were convoyed. One cruiser 4 A/A ships, six ABD's 82 destroyers, including 80 United States destroyers, and 96 other H.M. ships employed in escort duty.

5. Imports into the United Kingdom totalled 784,504 tons plus 9,000 tons of special Government cargo making average of 982,114 tons for last ten weeks.

7. During September 10,780 tons of cargo destined for the enemy seized in prize. Total seizures $10,258 tons since the beginning of the war.
8. Photographic reconnaissance recently showed Admiral Scheer in floating dock Hambug. She may be damaged or suffering mechanical defects.

9. **RAF** 9th/10th October. In Fleet attack off Burma reported October 10th, one hit made on 2000 ton merchant vessel, and another by 50 pound incendiary on 5000 ton ship. Believed two hits made on an 8-10,000 ton vessel. 10th, off the Hague a supply ship of 2,000 tons was twice hit and probably sunk.

10. **Libya.** 9th/10th October, 18 Wellingtons bombed aerodrome near Benghazi, damaging hangars, buildings and oil stores.

11. **Aircraft casualties.** In last seven days

**Over and from British Isles:** Ours, one fighter
twelve bombers; German, two certain one probable.

**Middle East:** Ours, two bombers. German, one
certain two probable, one damaged. **North Russia:**
German, four certain, six damaged, ours nil.

12. **Russia.** German continuing drives on Moscow from directions of Vyasma and Orel.

13. Acute shortage of textiles in German Europe has resulted in at least 50% reduction in German clothes rations and embargo in Italy of sale of clothes pending inventory of stocks and even wardrobes. Germany is making intensive efforts to get cotton from Turkey, wool and manufactured goods from Spain.

14. **German anxiety over food supplies for the winter is shown in rationing of potatoes in some provinces.**
15. French collaboration increases; joint German French aircraft production scheme on which factories in both sides expect to produce 500 planes monthly August 1942. Port Garoua given up to Axis forces carried in French ships from North Africa and Spain.
BRITISH EMBASSY
WASHINGTON, D.C.

October 11, 1941

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65 ships totalling 207,000 tons out of 65 allied and neutral ships detained by Vichy reported taken over by the French. Twenty one of those totalling 83,000 tons already placed under direct Axis control. Majority will work for Axis under cover of French flag. Some reported sent to Italian ports manned by Germans. Forty-two of these ships at present in Mediterranean.

2. On October 9th, Ostend Cherbourg areas fighter aircraft set on fire ships estimated at 1800 and 500 tons, damaged another 800 tons.

3. Night of October 9th/10th ten coastal aircraft attacked two enemy ships off Alexandria; full details not known but one direct hit estimated.

4. Night of October 9th/October 9th. Royal Airforce aircraft set on fire merchant ship in Tripoli (L) Harbour and destroyed lighter. Merchant ship estimated at 2000 tons west of Tripoli (L) was bombed probably sunk by Blenheim. Following night naval aircraft attacked convoy Sicilian Channel and sunk Merchant estimated at 6000 tons off Harittine island Wellington scored direct hit merchant ship estimated at 6000 tons.

5. Large Russian forces near Vyasa and certain Russian forces near Bryansk probably surrounded. Germans advancing towards Kharbas and reported reached Mariapol.

6. On October 8th fifty enemy aircraft in two waves attacked Tobruk; four were badly damaged. Our casualties two killed few wounded.
To: Secretary Morgenthau

In the appended memorandum prepared by Mr. Kamarck, estimates of Axis and Allied tank production are compared. As in the case of his survey on plane production, the estimates are based on inadequate data. However, the secondary sources of information are intelligently employed and I believe the results merit consideration. It should be easy for you to check his estimates of U.S. and British production from your special sources of information.

His estimates of tank production are, in the light of the requirements for strategic equality, no more reassuring than those of plane production.

H.D.W.

MR. WHITE
Branch 2056 - 214½
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE October 15, 1941

Mr. White

From: Mr. Kamarck

Subject: Preliminary Memorandum: Axis and Allied Production of Tanks.

Summary

(a) As in the case of air power, to secure a tank arm as effective as that of the Axis, it is probably necessary that the total Allied production of tanks should be considerably more than Axis production. The Axis occupies the more favorable strategical central position and the Allied needs are, perhaps, somewhat greater.

(b) The production of tanks for Axis armies averaged from 1,000 to 1,700 tanks a month for the year before June, 1941. Since throughout this period the rate of production increased, present production should be from 1,500 - 3,100 tanks a month or even higher. English production, Russian production, and the Allied share of American production probably totals from 1,000 to 2,200 tanks a month. (English monthly production, range 400-800, most probable, 600; U.S.S.R. production, range 333-1,000, most probable, 700; Allied share of U.S. production, probably 300; total of foregoing, range, 1,033-2,200, most probable, 1,600.)

I. Axis and Allied Needs

The Axis occupies the central position while the Allied forces are ranged along the periphery. It is difficult to measure quantitatively the advantage this position gives to the Axis, but there is no doubt that it is great. The panzer divisions in the campaign against Poland never encountered British and French tanks. In the Balkan campaigns, the Germans sent in as many panzer divisions from their central reserve as they considered necessary. The British, on the other hand, faced the difficult and time-consuming task of transporting their tanks to the Middle East. Furthermore, if the British depleted their home forces seriously, the panzer divisions in the Balkans could return to the Channel Coast and land in England long before the defending British tanks could return from Greece.
The Germans, perhaps, do not have as large a number of their tanks tied up in subsidiary or potential theaters of war as do the Allies. The Russians are forced to maintain large forces in the Far East against the Japanese threat. To counter-balance this, there is the fact that the Germans have to maintain troops in the occupied countries. On balance, however, the Japanese are probably a greater threat than the unarmed populations of the conquered countries are.

II. Axis Production

(a) From September, 1939 to May, 1940, German and German-controlled tank production averaged around 300 a month. Production in April, 1940 probably was about 500 tanks a month.

The U.S. Army Military Intelligence Division estimates that the Germans had 6,000 tanks on September 1, 1939. At that time, the Germans are believed to have had six panzer divisions and four light armored divisions (truck-borne light tanks). Each division had 450 tanks with a total of 4,500 tanks as the organic strength of the ten divisions. In addition, there was a G.H.Q. reserve of one-third or 1,500 tanks.

During the winter of 1939-40, the Germans replaced the casualties of the Polish campaign, which we may estimate at 10 percent or a total of 600 tanks. The regular wear and tear resulting from the vigorous war exercises of the fall and winter also caused some tank casualties. A figure of 1,000 tanks as total necessary replacements due to the Polish campaign and the winter maneuvers, might be regarded as reasonable. The Germans also expanded their tank park by 1,500 tanks. French G-2 in a study of the campaign in the West has estimated that the Germans had 7,500 tanks on May 10, 1940, or 1,500 more than the U.S. Army's estimate of 6,000 on September 1, 1939.

The Germans had ten panzer divisions on May 10, 1940, the four light armored divisions of September 1939 being converted to panzer units during the winter. That would give 4,500 tanks as the organic strength of the panzer divisions and 3,000 tanks, or an additional two-thirds in the G.H.Q. reserve and in other units (infantry cooperation tanks).

According to the foregoing reasoning, the Germans produced in the eight months, September 1, 1939 to May 1, 1940, 2,500 tanks, or an average output of 300 tanks a month.

It is quite likely that the Nazis increased their tank production during this period, so that in April, 1940, the monthly output may have been more than the average of 300 a month. If we assume that the gain in production proceeded with an equal monthly increment throughout the eight
months, the production in April, 1940 cannot have been more than 600 tanks. To get a higher figure would presuppose a negative tank production in September, 1939. We might assume, then, that tank production in April, 1940 was between 300-600 units a month, with a figure around 500 as extremely likely.

(b) From May, 1940 to June, 1941, production of all tanks for the German Army averaged from 1,000 to 1,700 tanks a month. Production of medium and heavy tanks alone averaged around 700 to 850 units a month. Production of all tanks in June, 1941 was probably from 1,700 to 3,100 tanks a month. Present production may be even higher.

The Russian Government informed Lord Beaverbrook at the Moscow Conference that it estimated that the Reichswehr had 30,000 tanks at the time of the attack on Russia. This would represent an increase of 22,500 tanks over the German tank park of 7,500 in May, 1940.

During this period, also, the casualties of the Campaign in the West had to be made up and the normal wear-and-tear replacements provided for. To offset this, there is the captured British and French tank booty. Assuming, again, that the tank casualties were 10 percent, the Germans lost 750 tanks in the campaign. (This may be fairly accurate. The total German personnel casualties amounted to 3 percent of the whole army. The panzer divisions which bore the brunt of the fighting may well have had triple the casualties of the army average). Necessary normal replacements in the next thirteen months may have amounted to 500-1,000. We have no available basis for comparison.

The British Army, according to information given our Military Intelligence, lost 700 tanks in France. The French lost 2,000 tanks, according to their official account of the campaign. The British attempted to destroy the tanks they were forced to abandon. That they were not wholly successful, we know from reports of observers. An even larger number of the French tanks fell unharmed into the hands of the Germans.

Under the circumstances, we might safely say that, on the whole, the German tank losses in the Campaign in the West were probably more than balanced by tank captures. The surplus may have been sufficient to offset the normal non-fighting tank losses. If we assume that this is true, German tank production from May, 1940, to June, 1941, on the basis of the Soviet estimate, amounted to 22,500 tanks or an average of 1,700 tanks a month.
If we accept the estimate that tank production in April, 1940 was 500 units, and if we assume that it increased with a constant monthly increment, to achieve a monthly average of 1,700 tanks production in May, 1941 would have had to be 2,900 tanks.

We may also approach the problem from another direction. At the time of the German invasion of Russia, the Nazis are believed to have had 18-22 armored divisions. British Military Intelligence estimated the number at 18, while the U.S. Military Attaché in Moscow estimated them at 22. Since we know that the Germans had 10 panzer divisions in May, 1940, in the thirteen months following, eight to twelve divisions were added. This would represent an increase of 3,600-5,400 tanks, on this score alone, (at 450 tanks per division). The Germans would also have a G.H.Q. reserve of one-third, at least, behind these divisions or an additional 1,200-1,800 tanks, bringing the total increment to 4,800-7,200.

According to our and the British Military Intelligence services, during the fall and winter of 1940-41, the Germans reorganized their panzer divisions. The light tanks were replaced with medium tanks and in some divisions heavy tanks took over the functions of the medium tanks. The light tanks that were replaced were transferred to the motorized infantry divisions or assigned to regular infantry divisions as infantry cooperation tanks.

This substitution of medium and heavy tanks for light tanks meant that tanks had to be produced even for the old panzer divisions. The panzer divisions on May 10, 1940 generally had 150 medium or heavy tanks and 300 light tanks. Since there were 10 such divisions, 3,000 light tanks had to be replaced with medium or heavy tanks.

For the organic tank strength alone of the 18-22 panzer divisions of June, 1941, the Germans had to produce between May, 1940 and June, 1941, 6,600-8,400 medium or heavy tanks (3,000 to replace the light tanks of the old ten divisions and 3,600-5,400 for the eight to twelve new divisions). Assuming a one-third G.H.Q. reserve, the total number of new medium and heavy tanks added would be 8,800-11,200. The average monthly production of medium and heavy tanks from May, 1940 to June, 1941 would be, then, from 670 to 850. Since the average conceals a rising rate of production, the rate at the end of the thirteen months, unquestionably, would be greater than the average. In view of our estimate of a production of 500 tanks of all types in April, 1940, production of medium and heavy tanks at that time was probably not greater than 250 tanks a month. For, after all, the Nazis did not have a total of more than 2,500-3,000 medium or heavy tanks at that time.
To achieve an average of 670-850 tanks a month for the thirteen months preceding June, 1941, starting with a monthly production of 250 and assuming an even monthly increment of growth, would make production in May, 1941, 1,100-1,550 medium and heavy tanks.

In the period between the Campaign in the West and the Russian Campaign, the Nazis also added tanks to their infantry formations. A tank company became an organic part of the motorized infantry regiment.

For this purpose, the Nazis had available, the 3,000 light tanks being displaced from the panzer divisions. They also, unquestionably, continued to produce light tanks. We do not have any information available from which to derive estimates of light tank production. The United States is producing many more light tanks than medium or heavies. The same was certainly true of Germany prior to May, 1940. We might safely say, then, that present German production of light tanks is from 50 to 100 percent of the production of medium and heavy tanks, or from 550-1,550 a month in May, 1941.

Estimating medium and heavy tank production at 1,100-1,550 a month in May, 1941, and light tank production at 550-1,550, total German production would be 1,650-3,100 tanks a month.

From this basis of estimation, we secure an average monthly production of 1,000-1,700 tanks during the thirteen months preceding June, 1941, and a production for May, 1941 of 1,650-3,100 tanks. These figures are reasonably comparable with our first estimate of an average production for the period of 1,700 tanks a month and a May, 1941 production of 2,900 tanks.

(c) Italian production and the Italian share of the occupied countries’ production probably does not total as high as 100 tanks a month.

Italian tank production is very small. Before the war, the Italians produced mainly small tanks, not even large enough to be called light tanks, but rather tankettes of 3 1/2 – 4 tons. The U.S. Military Attaché in May, 1941 informed our army that the Italians had only three armored divisions and were not contemplating any increase. These divisions were lacking their full complement of tanks but were being equipped with tanks from France. The new French tanks were to relieve the shortage and to replace the old Italian models.

For 3 armored divisions, roughly 1,800 tanks are necessary, 450 per division and 450, general reserve. The French only produced 2,000 tanks for their own army. Even if all of these were produced from Munich, September, 1938, to May, 1940, it would not be at an average rate of more
than 100 per month. It is scarcely likely, then, that the Italians are getting more than 100 tanks a month from France. Yet at the rate of 100 per month, it would take eighteen months to equip three divisions. At the rate of 50 a month, it would take three years. So far as we know, the rate of equipping the Italian Army is progressing more rapidly than this. We might assume, then, that the French production, Italian production, and other tanks made available by the Germans might total about 100 a month.

III. Allied Tank Production

(a) British tank production is almost certainly not more than 800 tanks a month. The most probable figure is 400-600 a month, though it may be lower.

The British lost practically the entire equipment of the British Expeditionary Force of ten divisions in France in May, 1940. This included 2,600 fighting vehicles of which 700 were tanks. In December, 1940, by straining and over-working the armament labor force, the British Army had 10,000 fighting vehicles, according to our Military Intelligence. It is likely that one-fourth of these, or 2,500 were tanks, though this proportion may be too high since Bren gun carriers and armored cars are much easier to produce. One armored division with about 500 tanks had been sent to the Middle East. In December, 1940, then, the British may have had a total of around 3,000 tanks; 2,500 at home, 500 in the Middle East. If all of these were produced since Dunkerque, British production had averaged 500 tanks a month.

A similar figure is derived from the number of British armored divisions in existence. In December, 1940, the British had two complete armored divisions and three others were in process of organization. If all the equipment at that time were already on hand, that would mean a total of 2,700 tanks. A one-third reserve would make this total 3,600. It is hardly likely, however, that such a reserve existed. Again, if all of these tanks were produced since Dunkerque, the average monthly production would amount to 600 tanks a month at most.

Since December, 1940, it is possible that production has further increased. It may have done so by as much as 50 percent. In view of the fact that the figure of 500-600 a month for the period June-December 1940 is almost certainly an overstatement, it is not likely that the present tank production in England is greater than 800 tanks a month. In substantiation of this conclusion is the very feeble tank support given to the Greeks and Yugoslavs in April and the still weak tank strength of the army of the Middle East.
If tank production had been anywhere near 800 a month during these campaigns, in view of the size of the British home forces the British could have easily spared more than the few score of tanks that were sent to the Eastern Mediterranean.

As an independent estimate, Hanson Baldwin on October 6, 1941 (New York Times), estimated that British tank production was running at a rate between 80 and 400 tanks a month.

According to Washington Merry-Go-Round (Times-Herald, October 10, 1941) a memorandum written by Stacy May and Robert Nathan to Secretary Stimson, stated that U.S. production of tanks "is forging well ahead of the British". Most estimates of American production state it to be 600 tanks a month. This would make British production smaller than 600 units a month.

(b) American tank production appears to be, at the present time, about 600 a month.

According to W. W. Chaplin, I. N. S. staff writer, light tank production is 300 a month and medium tank production 150 a month, giving a total of 450 a month. (Washington Post, October 11, 1941).

The Associated Press stated on October 13 (Washington Post, October 13) that "Reliable reports from commercial sources have indicated that United States' output of medium tanks now is around 200 a month, with production of light tanks about double that figure". This would give a total of 600 tanks per month.

According to news reports (N.Y. Times, October 12, 1941), R.E. Carpenter, Vice-President of the Spicer Manufacturing Company, stated that it produces 300 light tank transmissions a month. The only other company producing transmissions for light tanks, he said, is the Wisconsin Axle Co., which produces 100 units a month. At the maximum, there could not be more than 400 light tanks a month produced. The actual figure may be somewhat lower, since some transmissions may be needed for replacement. Our production of medium tanks is probably only half that of the easier-to-make light tanks. We have not been producing heavy tanks. This would make the total number of American tanks produced monthly 600 units.

A large proportion of the American tanks is not going into the service of the Allies, but is being diverted to the American armored Divisions. Probably not more than 50 percent is being exported to the Allies. This would make the American contribution at the present time, 300 tanks a month.
(c) The only direct estimate available of Russian tank production is 400 a month. Estimates derived from estimates of the strength of the total Russian tank park at various times give figures for Russian tank production varying from 333-1,000 units a month. Probably the correct figure in June, 1941 was around 700 a month.

The German news agency, D.N.B., on August 3, stated that Russian tank production was 400 a month.

According to Max Werner's book, The Military Strength of the Powers, German sources believed the Russians to have 10,000 tanks in 1935. By 1938-39, Werner states the Russians had 20,000 tanks. This is an increase of 10,000 in 3-4 years. Assuming that only the increment of 10,000 tanks were produced in these years, gave the Russians a tank production averaging 200-275 a month. If during these years, the whole of the Russian tank park or 20,000 tanks were renewed, the Russians had an average monthly production of 400-550.

According to the Deutsche Wehr (cited in Werner, p.93) in 1939 the Russians had 20-25 tank brigades and, in addition, had tank units attached to infantry formations. The tank brigades, at 250 tanks per brigade, would have totalled 5,000-6,250 tanks. With reserves for mobilization and infantry tanks, the total number of tanks may have amounted to about 10,000 tanks. According to M.I.D., on June 1, 1941, the Russians had 77 tank brigades at 250 tanks per brigade, or 19,000 tanks. With reserves and infantry tanks, the total might come to 28,000 tanks.

General Keitel, Hitler's Chief of Staff, stated that the Russians had on June 11, 1941, 46 motorized and tank divisions. (Memo to Hitler, published by German Government, June 22, 1941). Assuming all of these were tank divisions (which they were not) to make up for the underestimate the Germans admit they made of Russian strength, the Russians would have had here 23,000 tanks. With reserves and infantry tanks, the maximum number of Russian tanks would be about 35,000.

The Vichy French on June 22, 1941, estimated Russian tank strength at 50-55 armored brigades, or a total of 12,500-13,750 tanks in these units. In addition, each infantry division had one tank battalion around 50 tanks. A total of 200 divisions would have 10,000 tanks. The Russians would have, at least, a one-third reserve. The total number of tanks in front-line units, then, would be 20,000-25,000, plus a reserve of 7,000 to 12,000, which would give a total Russian tank park at the beginning of the German invasion of 27,000-37,000 tanks.
Roberto Farinacci, member of the Fascist Grand Council, stated that Russia had had 35,000-40,000 tanks at the beginning of the invasion. (Washington Post, October 1, 1941)

Practically all of the foregoing sources appear to arrive at a total of 30,000 to 40,000 tanks in the Russian Army in June, 1941.

There are two estimates of the Russian tank park around the beginning of 1939; Werner's direct estimate of 20,000 and the derived estimate from the Deutsche Wehr of 10,000 (also in Werner).

From around the beginning of 1939 to the middle of 1941, the Russians, then, added 10,000-30,000 tanks to their force. This would mean an average monthly production of 333 to 1,000 tanks a month without replacements. Probably the actual figure at the time of the German invasion was around 700 tanks a month.
Subject: Comment on attached chart of ship sinkings and launchings

1. The top chart compares total Allied and Neutral ship sinkings for the different years of the war. Sinkings for June, July, August and September are running under the same months of the preceding year.

2. The bottom chart shows that the launchings of British and American ships were practically equal to total sinkings in August, 1941. The figures on launchings are partially estimated, but are believed to be fairly accurate. The comparison of sinkings and launchings should provide an index of the progress made in winning the Battle of the Atlantic.
TO: Secretary Morgenthau
FROM: Mr. Kamarck

Subject: Monthly Report: Royal Air Force Bombing Activity in September, 1941

Comment

September showed a slight decrease in British bombing activity in northern Europe, probably due to bad weather with the coming of fall. British bomber losses correspondingly decreased.

R.A.F. Bomber Losses over Northwest Europe

Average monthly losses - May 1, 1940 - May 1, 1941
May, 1941 64
June, 1941 82
July, 1941 132
August, 1941 142
September, 1941 91
### 1. Losses

<table>
<thead>
<tr>
<th>Losses</th>
<th>Losses during September</th>
<th>Total Losses in Raids to October 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F. bomber losses in bombing raids in Northern Europe</td>
<td>91</td>
<td>1,111</td>
</tr>
</tbody>
</table>

### 2. Analysis of Targets

<table>
<thead>
<tr>
<th>Targets</th>
<th>Attacks during September</th>
<th>Total Number of Attacks to October 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>70</td>
<td>1,228</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>8</td>
<td>845</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>26</td>
<td>804</td>
</tr>
<tr>
<td>Oil refineries, synthetic oil plants and tank farms</td>
<td>2</td>
<td>350</td>
</tr>
<tr>
<td>Total of above</td>
<td>106</td>
<td>3,233</td>
</tr>
</tbody>
</table>

### 3. Leading Cities Attacked

#### A. Germany

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during September</th>
<th>Total Number of Attacks to October 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cologne (industrial center)</td>
<td>2</td>
<td>69</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>2</td>
<td>80</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>3</td>
<td>78</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>1</td>
<td>56</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>1</td>
<td>53</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>1</td>
<td>53</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>2</td>
<td>53</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>3</td>
<td>49</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total of Above (11 cities)</strong></td>
<td><strong>15</strong></td>
<td><strong>67</strong></td>
</tr>
</tbody>
</table>

#### B. Occupied Areas

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during September</th>
<th>Total Number of Attacks to October 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulogne (port)</td>
<td>3</td>
<td>104</td>
</tr>
<tr>
<td>Ostend (port)</td>
<td>2</td>
<td>81</td>
</tr>
<tr>
<td>Brest (port)</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>Calais (port)</td>
<td>1</td>
<td>72</td>
</tr>
<tr>
<td>Flushing (port)</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>Lorient (port)</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total of Above (6 cities)</strong></td>
<td><strong>9</strong></td>
<td><strong>48</strong></td>
</tr>
<tr>
<td>C. Italy</td>
<td>Attacks during September</td>
<td>Total Number of Attacks to October 1</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Naples (port)</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Total of Above (2 cities)</td>
<td>2</td>
<td>25</td>
</tr>
</tbody>
</table>
TO
Secretary Morgenthau

FROM
Mr. Kamarck

Subject: Summary of Military Reports

Royal Air Force

(The reports on the size of the protective escort and the losses experienced during the R.A.F. daylight raids indicate sizeable German air strength in the west. Whether it is as high as one-half of the German Air Force is another question.)

During the day of October 12, 24 Blenheim bombers, escorted by 19 fighter squadrons (probably 225 fighters), attacked the Boulogne docks. On the same day, 12 Blenheims, accompanied by two fighter squadrons (24 fighters), bombed a convoy off the Dutch Coast, hitting a tanker of 3,000 tons and a timber ship. Seven German fighters were destroyed. The R.A.F. lost two Blenheims and two Spitfires.

(U.K. Embassy, London Telegram, October 13, 1941)

During the day of October 13, 24 Blenheim bombers and 25 fighter squadrons (275 fighters) attacked Bethune. The Germans lost 20 fighters, four more probably, and 16 were damaged. The R.A.F. lost 13 fighters and one Blenheim.

(U.K. Embassy, London Telegram, October 14, 1941)

During the day of October 15, 12 Blenheim bombers, escorted by fighters (number not given, probably 225-250), attacked the docks at Havre. The British destroyed five German fighters, but lost seven out of the twelve bombers and one Spitfire.

(U.K. Embassy, London Telegram, October 16, 1941)
German Air Force

There are indications of an increase in German glider production. Decoén in Belgium (one of the largest furniture manufacturers in Europe) is reported to have switched from making hutsments to building wings for gliders and dummy aeroplanes. Production seems to be mainly concentrated on the wooden wing type used in Crete, but recently a larger all metal type, capable of carrying 50 men, or field guns or light tanks, has been made as well.

(U.K. Embassy, London Telegram, October 14, 1941)

(This may well be the beginnings of the preparation for an invasion of England once the German Air Force is extricated from the Russian campaign.)

Tobruk

During the nights of October 9/10 and 10/11, an Australian Battalion carried out three highly successful fighting patrols. On October 9/10, an Italian working party, about 150 strong, was ambushed by a patrol of 20 which opened fire at point-blank range with Bren and machine guns, inflicting 30 to 40 casualties before withdrawing without loss. On October 10/11, another patrol successfully engaged at 250 yards range, a party of 50 enemy bunched on the skyline. The Italian group was destroyed without any British loss. A third patrol, 24 strong, allowed an Italian party of about 30, preceded by scouts, to approach to within 10 yards, when fire was opened with every available weapon. Fifteen of the enemy were killed, a wounded officer was captured. British casualties were two slightly wounded.

(U.K. Embassy, London Telegram, October 13)
BRITISH EMBASSY,
WASHINGTON, D.C.

PERSONAL
AND SECRET

October 15th, 1941.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.
TELEGRAM FROM LONDON DATED OCTOBER 13th, 1941.

Summary.

Naval. His Majesty's Destroyer Norman (words omitted) T.S.S. officials on board arrived at Archangel on October 12th.

2. East coast convoy was attacked by 2 boats off Cromer night of 12th/13th; two small merchant vessels were sunk. An attack on another convoy later was driven off without loss and two 2 boats were possibly damaged.

3. Reference our telegram October 7th, third paragraph. After investigation there appears no evidence of sabotage or of internal explosion in this ship, which probably struck Darian rock.

4. Military. Tobruk. During nights 9th/10th and 10th/11th an Australian Battalion carried out 3 highly successful fighting patrols. On 9th/10th an Italian working party about 150 strong was ambushed by a patrol of 20 which opened fire at point blank range with Brens and MGs inflicting 30 to 40 casualties before withdrawing without loss. On 10th/11th another patrol successfully engaged at 250 yards range a party of 50 enemy bunched on the skyline; patrol destroyed, no loss. A third patrol of 24 strong allowed an Italian party of about thirty, preceded by scouts to approach within ten yards when fire was opened with every available weapon; about 15 enemy were killed and a wounded officer was captured; our casualties were 2 slightly wounded.

5. In Southern sector of perimeter German tanks and Italian infantry succeeded in clearing one of our observation posts, our casualties 2 killed and 7 wounded; enemy consolidated this area with help of 10 tanks following morning.

Regarded Unclassified
- 2 -

morning. He is also consolidating his position about
12 miles south of perimeter under cover of several tanks.
6. Royal Air Force, 11th/12th, Hudson. Twenty
aircraft attacked, dropping 39 tons of bombs fires started.
Coastal aircraft off Norway hit a merchant vessel of 4,500
tons, another 1,000 tons which was left sinking and a fish
oil factory, which was set on fire. Two Beauforts mined an
enemy occupied French harbour and a third is missing.
7. 12th, 24 Blenheims escorted by 10 fighter
squadrons attacked Boulogne docks and 12 Blenheims escorted
by 2 fighter squadrons bombed convoy off Dutch Coast hitting
a tanker of 5,000 tons and a timber ship. Fighters des-
troyed 7 enemy fighters. Our losses were 2 Blenheims and
2 Spitfires.
8. 12th/13th, 376 aircraft were sent out.
Nuremberg and Siemens Works 142 including 16 heavy; Bremen
99; Ruhr Chemical Works 95, including 11 heavy; Boulogne
Docks 94; Burch searchlights 5; mine laying 5. 11 air-
one
-craft, including 2 heavy/missing and 3 crashed, including
a Halifax in Sea; 1 crew safe. Preliminary reports state
weather at Nuremberg was good and visit successful. 55
aircraft reported huge fires also at Bremen.
9. A Hudson obtained 1 hit on a 1,000 ton ship off
Dutch Coast.
10. Libya, 10th/11th, 17 Wellingtons bombed
Derna and 12 Blenheims Bardia. At former power station
and at latter M.T. workshops were set on fire.
11. Reference yesterday’s summary paragraph
Mediterranean. Considered 2 ships of this convoy were
sunk and 1 or 2 damaged.

/12.
12. 11th. 6 Blenheim's of which 2 were destroyed by anti-aircraft fire probably sunk merchant vessel of 3,500 tons and left ship of 1,000-1,500 tons on fire off Libyan Coast.

13. German Air Force. Sixty-eight aircraft were plotted, of which 64 came inland over Lancashire, the Midlands and East Anglia. 1 was destroyed by night fighters.

14. Libya. 10th/11th. Tobruk and Mersa Matruh were bombed and some service casualties and damage resulted. 4 Blenheim's were damaged in attack upon Fuka landing ground.
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,
Dear Mr. Secretary,
Very sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.


Telegraph received from London
Dated October 16, 1941

[Navy] An enemy aircraft attacked two Air Rescue Service launches south of Newhaven yesterday causing three casualties. Two ships in a homeward bound Canadian Convoy were torpedoed yesterday 750 miles west of Ireland (R) and another (9,500 tons) independently routed 600 miles west of Ireland (R).


Although no further German progress reported south towards Rostov nor in centre North Eastwards from Orel and only slight progress South West of Moscow. New thrust has developed Eastwards of Rasev (still believed in Russian hands) towards Kalinin with apparent intention of turning City defences from North.

3. Royal Air Force. 14th October/15th. Owing to bad weather only 35 bombers reached Nurnberg on which 40 tons high explosive and 3,000 incendiaries were dropped.

Remainder bombed alternate targets in Western Germany. Six aircraft did not return. 15th October. 12 Blenheimis attacked shipping off Frisian Islands and hit a cargo vessel of about 4,000 tons. 12 others escorted by fighters bombed Havre docks hitting amidships 10,000 tons vessel which blew up. We lost 7 Blenheimis and 1 Spitfire and destroyed 5 enemy fighters. 3 Hudson bombed docks at Kjaberg in Denmark.

15th/16th October. 45 bombers were despatched.
Cologne 34 (7 heavy) Boulouge 8 and Amsterdam Aerodrome 3.
3 Wellingtons missing.

Libya. "Benghazi Harbour was bombed by 11 Wellingtons/"
Wellingtons 13th/14th October and 6 Marylandes.
14th. Hite on quays railway sidings work shops.

4. German Air Force. 15th/16th October.
29 aircraft were operating, 13 came inland. Few bombs fell in Yorkshire and at Great Yarmouth. No casualties reported.
Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation,

Believe me,

Dear Mr. Secretary,

Very Sincerely yours,

[Signature]

The Honourable
Henry Morgenthau, Jr.
United States Treasury,
Washington, D.C.
TELEGRAM RECEIVED FROM LONDON OCTOBER 14, 1941

NAVY

October 13th His Majesty's ship Lochesnaig (Armed boarding vessel) was damaged by FOCKE WULF Aircraft 50 miles south west of Lisbon, 7 crew wounded. Mediterranean. His Majesty's Submarine reports she torpedoed 4,000 ton merchant vessel already aground on Sangeorgia Island (East Milo) on October 3rd. and a merchant vessel probably French THEOPHILE GAUTHIER on October 4th. On October 7th off Suda Bay she sank a 3,000 ton merchant vessel in convoy.

MILITARY

Tobruk, October 11/12 Patrol Activity with tanks continued by both sides. At times opposing tanks were within fifty yards of each other but poor visibility made observation of enemy casualties and damage impossible. We had one light tank damaged. Enemy withdrew from our observation post captured previous night. October 12th considerable enemy activity in ELADEM SECTOR consolidating outpost positions gained during last three nights. Frontier area October 12th British Patrol attacked four enemy armoured cars and some mechanical transport in area Shafersen. One enemy Armoured Car destroyed, three ammunition dumps blown up and four German prisoners taken.

RUSSIA: Position in Moscow and Mariupol sectors remains serious.

October 12/15, attack on Nuremberg very successfully, 95 tons high explosive dropped. Other targets received; Brummen 75 tons, Huls Chemical Works 55 tons, Boulogne docks 36 tons and alternative targets 88 tons. Two hits were made on a ship in Denhelder Harbour, October 13th. 84 Heinkels despatched to attack targets at Arques and Hastingoe (Bethune area). Direct hits observed at Hastingoe. 25 fighter squadrons participated in these operations. 20 enemy aircraft destroyed, 4 probably destroyed and 16 damaged; our losses thirteen fighters (two pilots safe) and one Heinkel. October 13/14, 118 Aircraft despatched to Dusseldorf 60 (8 heavys), Cologne 50 (9 heavys), Boulogne 6 (1 heavy) and sea mining 13. Five aircraft (including 2 heavys) are missing. Libya October 11/12; four Wellingtons attacked Benghisi Harbour. Ten Heinkels attacked mechanical transport work shops at Bardia. October 11/12 fighters fought approximately 50 N.E. 109's and 10 Italian fighters; four enemy fighters destroyed, two more probably destroyed and four damaged. Our losses four fighters. October 11/12 and October 12/13 Wellingtons attacked Tripoli Harbour 32 tons of bombs dropped. October 13th, Heinkels attacked Mechanical Transport Column 15 miles east of Gulf Sidra, three lorries and trailers being destroyed and others damaged.
4. **German Air Force - Egypt**
   
   October 11/12 seven Junkers 88’s attacked Puka main landing ground, a petrol dump, fuel train and service ammunition train being destroyed and aerodrome rendered unserviceable.

5. **Intelligence - Gliders.**

   There are indications of increase in German Glider production. Decoën in Belgium (one of the largest furniture manufacturers in Europe) is reported to have switched from making hutments to building wings for gliders and dummy aeroplanes. Production seems to be mainly concentrated on wooden wing type used in Crete, but recently a larger all metal type, capable of carrying 50 men, or field guns or light tanks, has been made as well.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE October 21, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Excerpts of Interest from Military Periodicals

I. British Comments on American Planes

"The Chesapeake (Vought-Sikorsky scout-bomber, our navy's SB2U2) is now in service with the Fleet Air Arm and seems to have been re-named, not too appropriately, the 'cheese-cake' by those in the carriers who have to do with it. It is voted a good aeroplane."

(Source: The Aeroplane, September 12, 1941, p. 269)

"Keeping Them Flying"

"American aeroplanes and aero-motors are reaching this country in appreciable numbers. Several thousands are in service.....Now the question of keeping these aeroplanes in the air becomes of paramount importance.

"The maintenance of American aero-motors and airframes is not the same as the maintenance of British aircraft. The technique and procedure is utterly different.....

".....British methods cannot and must not be applied to American machines.....We cannot and do not know better than they how to maintain and operate these new aeroplanes.....To get the best results we must study and accept precisely the operating instructions and procedure of the U.S. Army Air Corps and the U.S. Navy. Otherwise we shall have American aeroplanes lying all over the country in various stages of unserviceability."
"One thing which is not generally realised is that American aero-engines and their accessories are designed to run as sealed units for their operating life between overhauls. They run well if left alone. To open them up according to normal Air Ministry routine every few hours impairs, rather than improves, reliability.

"The subject of maintaining and flying these new and specialised American types is immensely detailed. When we adopt American methods we shall get finer service from them....The American types are coming to us with an immense amount of goodwill. Let us maintain that goodwill by seeking American advice on getting the best out of them."

(Source: The Aeroplane, September 12, 1941, p.292)

II. Japanese Air Force

"...So far as is known, the total strength of the (Japanese) Army Air Force is 1,700 aeroplanes, including 800 first-line and 850 second-line aeroplanes, and 2,500 pilots. This force comprises 36 Reconnaissance squadrons with a total of 300 aeroplanes; 55 Fighter squadrons with a total of 350 aeroplanes; and 15 Bomber squadrons with a total of 150 first-line aeroplanes.

"The Naval Air Force consists of 2,000 pilots, 600 flying-boats and 400 carrier-based landplanes. The second-line strength of the Naval Force, including obsolescent types, is 1,000 aeroplanes. Japan has seven aircraft-carriers and three seaplane-carriers.

"The geographical distribution of the far-flung Island Empire of Japan renders some of its vital parts particularly vulnerable to air attack. The relative smallness of the islands, the great density of population and the high concentration of important production resources within the operational range of foreign air forces leaves the very nerve centre of Japan's war strength highly susceptible to interference from the air."

Regraded Unclassified
"This is particularly true of the important sector Tokyo-Yokohama-Pusan, which is close to the Russian air bases at Vladivostok, a danger which has been a constant factor in Japan's air strategy.....

"In the Pacific sector, Japan's strategic position in the air has been appreciably strengthened through the recent acquisition of bases in French Indo-China. Even before this, her possession of a number of islands furnished her with excellent harbour facilities and hiding places for U-boats, as well as with advantageous bases for air operation against Malaya and the Dutch East Indies.

Favourable as Japan's air strategic position in the Pacific appears in the light of geographic survey, its advantages are offset by the British-U.S.A. triangle of air and naval bases Singapore-Manila-Guam, which lies athwart Japan's air and maritime communications in the Pacific. Coupled with the extension of the range of attack by carrier-borne aircraft, an air force operating from these bases could effectively counteract a Japanese push towards the South Pacific. The existence of the Anglo-Russian Alliance may also act as a brake upon any precipitated action by Japan; for so long as the Russian Air Force has still an effective striking capacity, Japan may well prefer to sit on the fence rather than lay herself open to an air attack on her vulnerable rear. Russia's Far East Air Force, which is estimated to be of considerable strength, is thus an important stabilising factor in the Pacific area as well."

(Source: Japan's Air Power by Dr. V.L. Gruberg, in the British Air Magazine, The Aeroplane, August 15, 1941)
III. German and British Air Losses in the First Two Years of War

(The data are from The Aeroplane, September 12, 1941, British air magazine, which derived them from official sources and its own record.)

(The figures given are probably greatly understated. The actual total losses may be as much as twice as great. This is because the losses quoted are only those shot down in combat, whereas all other losses are usually quite high.) Exclusive of the Russian campaign, in the first two years of the war, the Axis lost 8,000 airplanes shot down in combat; 6,000 were Nazi planes and 2,000 Italian. The British forces lost 3,000 planes. The Axis lost 20,000 airmen. The British 8,000.

A more detailed breakdown of losses follows:

<table>
<thead>
<tr>
<th></th>
<th>Number of Planes Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Norwegian Campaign</strong></td>
<td></td>
</tr>
<tr>
<td>R. A. F.</td>
<td>55</td>
</tr>
<tr>
<td>German</td>
<td>56</td>
</tr>
<tr>
<td><strong>Battle of France</strong></td>
<td></td>
</tr>
<tr>
<td>R. A. F.</td>
<td>379</td>
</tr>
<tr>
<td>German</td>
<td>957</td>
</tr>
<tr>
<td><strong>Battle of Britain (Aug. 8-Sept. 27)</strong></td>
<td></td>
</tr>
<tr>
<td>R. A. F.</td>
<td>989 fighters</td>
</tr>
<tr>
<td>German</td>
<td>1,123 bombers</td>
</tr>
<tr>
<td></td>
<td>2,112 all planes</td>
</tr>
</tbody>
</table>
### Other German Attacks on England

<table>
<thead>
<tr>
<th>British R.A.F.</th>
<th>German</th>
<th>Italian</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F.</td>
<td>311</td>
<td></td>
</tr>
<tr>
<td>German</td>
<td>1,520</td>
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</table>

### British Attacks on Germany

<table>
<thead>
<tr>
<th>British R.A.F.</th>
<th>German</th>
<th>Italian</th>
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</thead>
<tbody>
<tr>
<td>R.A.F.</td>
<td>1,356</td>
<td></td>
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<tr>
<td>German</td>
<td>692</td>
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</tbody>
</table>

### Middle East

<table>
<thead>
<tr>
<th>British R.A.F.</th>
<th>German</th>
<th>Italian</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F.</td>
<td>388</td>
<td></td>
</tr>
<tr>
<td>German</td>
<td>480</td>
<td></td>
</tr>
<tr>
<td>Italian</td>
<td>2,127</td>
<td>(of these, 907 destroyed on the ground)</td>
</tr>
</tbody>
</table>

### Grand Total - All Sectors

<table>
<thead>
<tr>
<th>British R.A.F.</th>
<th>German</th>
<th>Italian</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F.</td>
<td>3,116</td>
<td></td>
</tr>
<tr>
<td>German</td>
<td>5,918</td>
<td></td>
</tr>
<tr>
<td>Italian</td>
<td>2,127</td>
<td></td>
</tr>
</tbody>
</table>

### IV. Nazi Air Force in Russia

The Red Army paper Red Star points out that after nearly three months of war against the Soviet Union, simultaneous air warfare over the entire battlefront is virtually impossible for the Nazis.

"Enemy air battles in one sector of the front always coincide with lulls in other sectors, an evidence of the weakening of Nazi air strength. At the beginning of the war the enemy was able to keep planes active along the whole front."

(Source: U.S.S.R. Embassy Information Bulletin, September 16, 1941)
Raids on Moscow

"At the outbreak of the war, the German Airforce was prepared for an all-out air attack on the Soviet capital. The Nazis relied particularly on the 53rd Squadron of long-range bombers, known as the Condor Legion. This Nazi air unit gained sinister notoriety by slaughtering defenseless populations of Republican Spain, Poland, France, Great Britain, Yugoslavia and Greece.

"By mid-July, the formations assigned to raid Moscow numbered 250-300 planes, manned by approximately 180-200 crews. Each crew consisted of sergeants and officers trained for long night flights.

"By mid-August the number of crews experienced in night flights had apparently dwindled to 100-120 and the number of warplanes to 150-180. This induced the Germans to transfer to the eastern front a fresh replenishment for their diminished formations.

"On August 14 four groups of long-range bombers, 80-100 planes, were transferred to the Smolensk area from western Europe.

"In about 30 raids on Moscow in two and a half months of war, enemy planes have made 2,500 individual flights, probably carrying a total of not less than 1,800-2,000 tons of bombs. In this period only about 100 planes managed to break through to Moscow, and a large proportion of bombs dropped caused no damage.

"The Nazi Airforce paid heavily for its raids.....

"In place of experienced fliers with Iron Crosses on their chests, the raiding planes are now manned by green youths, hastily trained in four to six months. Because of heavy losses, German fliers raiding Moscow have been ordered to evade air combat with Soviet fighters.

"The total effect of German air raids on Moscow has been negligible."

(Source: Colonel Ilyin in Pravda, U.S.S.R. Embassy Information Bulletin, October 6, 1941)
Comments on the Russo-German War

(In the U.S. Army Command and General Staff re
School Military Review, October, 1941)

- by -

Colonel F. W. Barrows, Field Artillery

"...On November 30, 1939 the Russo-Finnish war began with Russia the aggressor, resulting in an interchange of territory in favor of the Soviet Union. In the light of subsequent events, it appears that Russia needed that territory for her protection of Leningrad in the present war, and since she did not absorb Finland, many now believe that was her sole reason. All she took was a buffer strip that has since stood her in good stead.

"At the time of the German-Polish War, Russia secured about half of conquered Poland. That, with her acquisition (about the same time) of Estonia, Latvia, and Lithuania, which Hitler didn't like but had to stomach, and a little later, the grabbing of Bessarabia, gave the Soviet Union an excellent buffer strip against the Axis, extending some 1,500 miles -- from east of Lake Ladoga to the Black Sea. This buffer strip was a most wise acquisition, as one can see by glancing at the map,... So one might say the Russian bear was not exactly asleep and this acquired sponge has not only absorbed thousands of German lives and material but has given the Soviet Union time to mobilize the rest of her army and better prepare her defenses...."

V. Naval and Air Tactics

(War on land is being increasingly waged by a ground-air team, rather than by ground forces with "air cooperation". A similar development is occurring on the water.)

"...Naval control near enemy territory is becoming steadily more dependent on air action. The Italians are using a mixed escort of destroyers and aircraft for their Libyan convoys. The Germans are putting more Kuriers (four motor bombers) on their Atlantic forays. The British
are employing aeroplanes from all Commands to
strangle enemy shipping, while they continue
their policy of hunting submarines by mixed
forces of naval and air craft. The enemy's
choice of tactics and the conditions imposed on
coastal warfare by his occupation of neighbor-
ing lands have combined to turn British aero-
planes into shipbreakers. The work is being
splendidly done. It is making hay of an ancient
naval tradition."

(Source: The Aeroplane, September 19, 1941)

VI. Malta

"....The Italians had boasted that Malta could
be made quite untenable by their bombers, and
at first it was very difficult to arrange for
its air defence. Gradually those difficulties
have been overcome, and the people of the island
have borne an infinity of air raids with a for-
titude which has equalled that of the Londoners.
The Mediterranean Fleet certainly cannot make
Malta its headquarters, but, none the less, the
damaged carrier, H.M.S. Illustrious, was there
patched up, in spite of the enemy's attempts to
finish her off, and was able to steam away to
Alexandria....."

(Source: Article by Major F.A. de V. Robertson in the
British air magazine, Flight, September 11, 1941)
Public opinion and the high policy of the powers continue to follow the rhythm of the Battle of Moscow. Hitler's successes have, momentarily at least, instilled new confidence in the Germans and in the Japanese, and have spread pessimism and defeatism in various other quarters.

Despite the confused character of the Far Eastern scene, the fall of the Japanese Cabinet would appear to reflect the Russian defeats, and is probably also connected with the course of the Japanese-American conversations. In any event a more vigorous Japanese policy is forecast by most competent observers.

Our military and naval attaches in Chungking report that highly placed Chinese officers believe an attack on the Maritime Provinces is imminent. The fact that troop movements into Manchuria have been slowed (not more than a thousand men a week are reported as passing through Beijin) may simply indicate that the Japanese concentration is virtually complete. How far the Russians have weakened their forces in the Far East is a matter of conjecture. Competent authorities here believe the two armies to be about equal in strength.
The nature of Japanese purposes in Indochina adds an enigmatic note to this uncertain picture and may reflect once again the essentially atomic character of Japanese policy. At the very time when it seems desirable to capitalize Russian weakness by an attack in Siberia, the Japanese have elected to incur the renewed hostility of this country and Britain by what appear to be serious preparations for a forward move in Indochina.

Troops have been moving steadily into the Haiphong area, and extensive preparations in both northern and southern Indochina suggest that even larger troop movements are contemplated. It is of course perfectly possible that these activities are merely a screen for an all-out effort in Manchuria. This southern movement may already have had its uses in luring the Russians into withdrawing troops from Siberia in recent weeks. Or again the Japanese may simply be moving a sufficient number of troops to the south to hold Indochina while the main effort is being made in the north.

Meanwhile the government of Thailand is alarmed and expects an early attack. The tearful plea of the Foreign Minister for early delivery of American planes strongly suggests that his government is being swept by a wave of panic.

The Nazi victories in the East are reported to have visited the French public with a deep feeling of pessimism, and the latter has been fortified by general discouragement.
with the British failure to seize boldly the present opportunity. The French are asking, our Ambassador reports, why the British do not attack in Libya or send direct aid to the Russians or carve out a bridgehead on the Continent which would divert German strength even though it failed in the end.

Of more immediate importance than this alleged shift in public opinion are the current indications of renewed collaboration. There is some official opinion in Vichy which believes that Darlan is preparing to carry France one step farther into the twilight zone between the armistice and the final peace. The creation in Vichy of an arm of the German embassy in Paris, under the leadership of Krug von Sida, is an event which lends color to this view. On the other hand, Charles Rist has just been offered, on behalf of Pétain, a special mission to the United States, which it is assumed would presently ripen into the ambassadorship itself. Rist, who is said to be a reluctant candidate at best, would scarcely accept a mission to this country which had been compromised in advance by any sensational fresh concessions to the Germans.

German propaganda abroad is capitalizing recent successes to the full. In Hungary the Nazis claim that the British are always unwilling to fight far from home and that they will find themselves in a helpless position following the collapse of Russia. Our minister to Hungary discovers a notable decline in British prestige there in recent weeks.
Mr. Pell also reports that the Regent cancelled his acceptance of a dinner to be given in his honor by the Minister under conditions which gave it the character of an affront. This step was taken under Nazi pressure, and Mr. Pell believes the Germans are seeking incidents to widen the breach between the axis and the democracies, a theory which fits nicely into the pattern of recent sinkings.

The Portuguese press has used brave language and has given vent to its "vehement indignation" over the German submarine sinking of the Corte Real, but Portuguese diplomacy has proved far more circumspect: Portugal has reserved her position, but has made no official protest to date. In Brazil, Ambassador Caffery reports that recent German victories have spread consternation among the friends of the democracies.

The Near Eastern scene affords about the only elements of relief to the general gloom. In Iran the occupying forces have been withdrawn from Tehran, and our minister states that the conduct of the Russians has improved and that there have been no further Armenian separatist meetings. And in Turkey, an initial inspection of the new commercial arrangements with Germany reveals that the Turks are to get German war materials in the present in return for promises of chrome in the future (1943-44). Highly placed British officers in the Near East are of the opinion that at least two months would be required for
withdrawal of German troops from Russia and reorganization preparatory to an attack on Turkey. By then (December) the roads in Anatolia are impassible, and another month would be required to reach Syria, even if the Turks granted the Germans passage. This means that there is little likelihood of an attack before spring, they are confident, and by then there will be an adequate British force in the Near East to meet a German thrust.

Recent reports indicate that our campaign against axis airlines in South America may soon be crowned with success. During the past week Standard has agreed to sell no further stocks of gasoline to Lati, and YPF will sell no more to Lati, Condor or Air France. The last named line has just been placed on the black list to prevent it from becoming a front for Condor and Lati following their nominal disappearance. The Department of State is seeking to have Lati's franchise revoked by Brazil or to accomplish its objects by drying up Lati's supply of gasoline (the new Panair Line—New York, Belem, Natal, Portuguese West Africa (?), Lisbon—is to replace Lati). Discussions are now proceeding as to how Condor may most effectively be removed from the scene; it has gasoline supplies for only about a month and a half.

On the other side of the balance sheet in South America, we must place Peru, where press and public have been profoundly irritated by the action of our government in attaching planes
originally intended for Sweden and more recently purchased by the Peruvian government. Adverse newspaper editorials and manifestations of public irritation with news reels featuring Americans greet our policy at a time when we are deeply interested in an early settlement of the Peruvian-Ecuadorean boundary dispute.
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE October 23, 1941

TO Secretary Morgenthau
FROM Mr. Kamarck

Subject: Military Report: Military Intelligence Appraisal of the War. (Based on Conference with Colonel Betts, Situations Officer and Major Smith, Chief of Situations Section)

Russo-German War

1. In spite of the still grave danger to Moscow, the situation does not appear too gloomy. The Germans will not be able to drive Russia out of the war this year and are sustaining great losses.

Russian morale remains high and there is no evidence of disintegration in the Russian Armies.

From the data that our army has been able to secure, it appears that the bulk of the German Air Force is occupied in the Russian campaign. An unknown part of it has been left for defense against the English in the west, but this by no means is as high as one-half of the total.

The Germans have not been able to attain complete air superiority over the Russian front. They are able to secure local air superiority by massing sufficient planes in a sector. The German air advantage is numerical since the Russian planes have proven themselves to be very good and fully comparable to the German.

2. The German push towards Moscow, substantially, has been at standstill for a number of days now. This may be due to the Russian resistance, or it may be due primarily to the necessity of resting troops, bringing up fresh supplies, and re-forming and reorganizing for a new offensive. Time is running short for the Germans on this front since the real winter is now beginning. After winter has definitely set in, most large-scale activity here will have to stop until spring.
3. The situation along the Russo-German-Finnish front is quiet at present. It is likely, however, that the Finns will attack actively along this front during the winter in order to cut the Murmansk railroad as a source of supplies to Russia.

4. The situation around Leningrad appears to have been stabilized. The Russians are making counter attacks, but these are of a local and strictly minor nature. Apparently, the Germans have settled upon a policy of siege warfare here. Military Intelligence is now convinced that Leningrad is encircled and that the only route of access to Leningrad from the rest of Russia is across Lake Ladoga.

The Russians must have had enormous supplies in the city since they have not only been able to hold out, but seem to have sufficient ammunition for counter-attacks. This is the explanation that Military Intelligence Division has for the fact that a city of several million people has been able to hold out successfully against the Germans for so many weeks.

5. In the southern sector, there are accumulating evidences of preparations for a large offensive. The Russian Army here appears still to be fairly strong and unified, and by no means incapable of action.

6. One indication of the huge German casualties is the admission by the Rumanians that they had suffered 111,000 casualties up to October 1. The maximum number of Rumanian soldiers that could be mobilized is around 500,000. In view of the bad internal political situation, probably not more than 350,000 could be sent to the front. A casualty list of 111,000 represents, then, about a third of the Rumanian Army. While the Germans are better soldiers, they have also done more and harder fighting in the war. Their casualty rate should, therefore, be comparable or higher. With a total of 4,000,000 to 5,000,000 men engaged at any one time, Nazi casualties should, therefore, be around 1,300,000 to 1,700,000.
Asia

There has been no notable activity in the Chinese war in the last week.

In Manchuria, the Japanese have concentrated large forces of around 500,000 to 600,000 men, but this has made them no more than numerically equal to the Russian Far Eastern Armies. The Russians have transferred some troops to the western front, but the bulk of the two Red Banner Armies of the Far East are still ready for the Japanese. In airplanes, the Japanese Manchurian Air Force is still inferior in numbers and quality to the Russians. The bulk of the Japanese Air Force, so far as we know, is still tied up in China.

Our army gets the definite impression that the Japanese are stalling for time in the hope that the Germans can decisively defeat Russia fairly soon. The belligerency of the Japanese towards Russia and the United States thus fluctuates up and down with the course of the Russo-German War.
Subject: Port Facilities at Vladivostok and Archangel

Vladivostok

1. Vladivostok has a population of 200,000. The port is kept open in winter by the use of ice breakers. It has a natural harbor, easily accessible, four miles long by one mile wide.

2. There are 35 wharves allowing the accommodation of 25 ocean-going vessels at one time. A stone mole 5,200 feet long can handle 13 ships, while pontoon stages 6,300 feet long have accommodation for 17 ships. There are two dry docks. Coal and oil bunkers are available.

3. The port has 70 warehouses providing a total of 32,000,000 cubic feet storage capacity. There are available four floating cranes, ranging from 40 to 100 tons; several locomotive cranes, ranging from 5 to 15 tons; and one bridge crane. Loading and discharging is facilitated by means of electric conveyors.

4. Vessels of 30 feet depth and over can safely navigate the harbor. Depth at entrance is 15 fathoms, while depth at quays is 25-32 feet.
Archangel

1. Archangel has a population of 54,000. Generally, navigation is open from the middle of May to the middle of November. However, powerful ice breakers are available.

2. The port has shipyards, repair work shops and two dry docks taking vessels up to 278 feet long. There is available one 150-ton floating electric crane, one 50-ton, one 20-ton, and several 15 ton cranes.

3. Depth at the entrance is 24 feet at high water; in the town channel, 24 feet; and at the quays, 18 to 25 feet.

4. There are berths for 30 vessels alongside piers.
TO
SECRETARY MORGENTHAU

FROM
MR. KAMARCK

SUBJECT: SUMMARY OF MILITARY REPORTS

ITALY

Because of a shortage of basic foods in Italy, the Italian Government has been making enquiries in most of the countries of German-occupied Europe for potatoes, not normally a part of the Italian staple diet. There is no indication that they have been able to secure any considerable quantity.

(U.K. Embassy, London Telegram, October 19, 1941)

There are 15,000 Italian soldiers still fighting in the Gondar region of Ethiopia (in the mountainous northwest, near Lake Tana).

(U.K. Embassy, London Telegram, October 20, 1941)

FRENCH DELIVERIES TO THE AXIS

There were 1,400 motor vehicles in French North Africa which were to be turned over to the Axis after the Armistice. Of these, on August 31, 581 had been delivered to the Libyan frontier, and 343 were ready for delivery (leaving 476 out of the total still unaccounted for). Out of 400 trucks in France which were to be delivered to Libya, 72 have arrived in North Africa, but have not yet reached Libya.

(U.K. Embassy, London Telegram, October 18, 1941)

USE OF AMERICAN PLANES IN MIDDLE EAST

A formation of 15 Marylands attacked two Cyrenaican landing grounds recently. Results are unreported.

(U.K. Embassy, London Telegram, October 20, 1941)
Malta

(The British are successfully using Malta as a fixed airplane carrier to harass the Italians with night bombing raids on industrial centers, daylight raids on airdromes, and attacks on convoys to Libya.) During the night of October 16/17, 16 Wellingtons bombed Naples. They dropped 16 tons of bombs including three huge 2-ton bombs. It is thought that the torpedo factory was completely destroyed and that the Royal Arsenal and the Alfa Romeo works (airplane engine factory) were also hit.

During the day of October 17, Blenheim bombers escorted by Hurricanes attacked the Syracuse seaplane base. Bursts were seen on the objective and one enemy fighter was probably shot down.

During the night of October 17/18, seven naval aircraft attacked an Italian convoy south of Pantelleria. Two merchant vessels were damaged by torpedoes and three were possibly also hit.

By October 19, a British convoy, carrying more airplanes to reinforce Malta, successfully accomplished its mission. The only loss was one Swordfish airplane carrier fighter.

(U.K. Embassy, London Telegram, October 19, 1941)
October 20th, 1941

Dear Mr. Secretary,

I enclose herein for your personal and secret information copies of the latest reports received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
Operational Communication (information received up to 7 a.m. October 19th, 1941).

NAVAL

Reference summary 18th, torpedoed British destroyer has sunk, 96 survivors so far reported. Operation to reinforce Malta with aircraft has been successfully completed with loss of one Swordfish. Two shadowing enemy aircraft were destroyed by our fighters. One large and one small merchant vessel in southbound coastal convoy were mined and sunk in Western Thames (sic) approaches, p.m. 18th.

MILITARY, RUSSIA, CENTRE

Although Germans have taken Kalinin and Mojaik and made progress east of line of Mojaik Kaluga, execution of counter attacks and bad weather have slowed down their advance. Situation north east of Orel unchanged. South. Small German advances are reported north-west of Kharkov and north of Mariupol but eastward thrust towards Rostov has been slowed down.

ROYAL AIR FORCE, 18th and 18th/19th.

Bad weather; no important operations.

NAPLES, 18th/19th, 16 Wellingtons from Malta dropped 16 tons of bombs including three 4000 pounders. It is thought that torpedo factory was completely destroyed; Royal arsenal and Alfa Romeo works were also hit.

SICILY, 17th.

Me109s escorted by Hurricanes attacked Syracuse seaplane base; bursts seen on
on objectives; an enemy fighter was probably shot down.

17th/18th. Wellingtons bombed Trapani
aerodrome; buildings were hit and 1 aircraft destr-oyed on ground.

**SARDINIA. 17th/18th.**

Wellingtons cooperating with naval
force (paragraph 1) attacked Elmas aerodrome hitting
runways and buildings.

**MEDITERRANEAN.** Eight 17th/18th.

7 naval aircraft attacked a convoy
south of Pantelleria; 3 merchant vessels were damaged
by torpedoes and third possibly hit.

**GERMAN AIR FORCE. 18th/19th.**

Only 5 aircraft plotted.

**MALTA.** Between 16th and 18th.

Several day and night attacks were
made; no damage or casualties reported.

**ITALY.**

As a result of shortage of basic food,
queries have been made in most countries of German
controlled Europe for potatoes, not normally part of
staple diet of Italians. There is no indication that
they have been able to secure any considerable
quantity.
Telegram from London dated October 18th, 1941

Operational Summary. (Information received up to 7 a.m. October 18th, 1941.)

Naval. Russian submarine has torpedoed and sunk 3,000 ton ship off North East Norway.

Small tanker and small Greek ship carrying petrol and stores for Tobruk were sunk by submarine 50 miles west of Alexandria early October 17th.

Homeward Canadian convoy was again attacked on October 16th/17th and 8 ships, totalling about 45,000 tons were sunk; 3 British, 3 Norwegian, 1 Greek and 1 Panamanian. Two were tankers the others carried raw materials and general cargoes. Early October 18th 1 escorting British destroyer was torpedoed; she is still afloat.

Military. Russian statement that they evacuated the greater part of the Odessa garrison by sea is probably correct.

Tobruk. October 15th/16th. British patrol of 2 officers and 24 other ranks engaged large enemy working party S.E. of Tobruk and inflicted about 20 casualties without loss. 13 enemy tanks seen in this area withdrew to dead ground.

Royal Air Force. October 16th/17th. Duisburg. 66 aircraft dropped 72 tons of H.E. and 7400 incendiaries. Total of 25 tons dropped on Dunkirk and Ostend; bursts seen in docks and fires were started. A Hudson possibly hit 6,000 ton merchant vessel off Dutch coast.

October 17th. Hurricanes and a Spitfire attacked small enemy craft off Lebrugge and Ostend.

Two/
Two trailers were set on fire.

**Libya.** October 15th/16th. 16 Wellingtons bombed Benghazi.

**German Air Force.** October 17th/18th. 20 enemy aircraft were operating. One came inland.

Enemy casualties in operations over British Isles. British October 16th/17th two coastal (additional).

Of about 1400 motor vehicles destined for the Axis, in French North Africa after the Armistice on August 31st 561 were reported delivered to Libya frontier and 343 ready for delivery. Of 400 trucks in France agreed to be delivered to Libya, 72 have arrived in North Africa but have not yet reached Libya.
BRITISH EMBASSY,
WASHINGTON, D.C.

October 21st, 1941.

PERSONAL AND SECRET.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. President,

Very sincerely yours,

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
TALMAR From LONDON DATED OCTOBER 20TH, 1941.

1. **Naval.** A Russian submarine on return from patrol eastwards of North Cape claims four enemy merchant ships hit between September 26th and October 11th.

One of His Majesty's submarines sank two ships in convoy 80 miles west of Lampedusa on the 18th.

A 9,000 ton tanker was torpedoed off Straits of Gibraltar on 19th but is still afloat in two halves.

2. **Military: Russia.** Germans hampered by hard weather have made little progress towards Moscow. They are advancing slightly towards Kharkov in Donets basin and towards Rostov.

**Abyssinia.** Enemy troops, combatant strength about 15,000 remain in Gondar.

3. **Royal Air Force.** 19th. Fighters carried out 10 small offensive operations over Northern France.

18th and 19th/20th. No operations by Bomber Command.

Middle East. 18th. 15 Marylands attacked two Cyrenaican landing grounds.

18th/19th. Mediterranean. Naval aircraft attacked convoy 80 miles north west of Tripoli (L) and made 3 torpedo hits on a 6,000 ton ship which was left stationary and on fire. A second ship was probably damaged.

19th. A Hurricane destroyed an Italian bomber south of Lampedusa.

**Sicily.** 19th. 6 Blenheims attacked ammunition factory and power station at Licata and 8 Hurricanes carrying bombs aerodrome at Comiso. No enemy opposition: bombs fell in the target area.

**Abyssinia.** 17th. Bombers and fighters attacked objectives and trenches near Azano.

4. **German Air Force.** 19th/20th. 55 enemy aircraft were r

ing principally in Thames estuary; flew inland. Night fight destroyed one bomber.

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TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

TO
Secretary Morgenthau

FROM
Mr. Kamarok

Subject: Snow in Russia (attached map, based on data from the Weather Bureau)

1. Leningrad Region

Snow covers the ground for the winter near Leningrad normally around October 2. It may begin to do so, however, as early as the 29 of September, or as late as November 27. The snow usually lasts to April 14. Snow is deepest here in February at which time it is usually about a foot deep.

2. Moscow Region

Snow covers the ground for the winter near Moscow normally about the 4 of November. It may begin as early as October 10, or be delayed until November 24. The snow usually lasts to April 12. It is deepest in March, when it averages two feet in depth.

3. Kharkov region

Snow covers the ground for the winter generally about November 19, though it may come as early as the 24 of October, or be delayed until December 14. The snow lasts until about March 22. The deepest snow is during January and February, when it averages 10 inches in depth.

4. Black Sea Coast

All of southern Russia except the immediate Black Sea coast usually has some snow during the winter. The Crimea and the region just north of it are covered, on the average, with snow for about a month in the middle of winter.
APPROXIMATE AVERAGE DURATION OF SNOW COVER IN EUROPEAN PART OF U. S. S. R., IN DAYS
ISOCNION CURVES INDICATE NUMBER OF DAYS
TO: Secretary Morgenthau

FROM: Mr. Kamarek

Subject: Situation in Russo-German War, October 24, 1941

1. The Front remains stabilized in the north and around Leningrad.

2. The lines around Moscow remain substantially unchanged, although bitter fighting is going on.

3. On the southern sector, the Germans have made gains to the northwest and southwest of Kharkov.

4. Timoshenko, former commander of the central front, has replaced Budenny in command of the southern front. Zhukov has taken Timoshenko's old position. Contrary to newspaper stories, the change is a recognition of Timoshenko's ability, since he is being shifted to the front which is becoming the most important. Zhukov was the commander of the Far Eastern Army when the Japanese were decisively defeated at Kolon Nor in 1938.
While the tempo of the Russian campaign has once again quickened, with a renewed thrust at Moscow and the capture of Kharkov, and an ominous lull hangs over the Far East, the American government has taken a series of fresh initiatives.

South Pacific Air Bases

Negotiations with Australia will provide us with vital air base links in the chain of our South Pacific defenses. At the same time the government of the Netherlands Indies has been instructed to confer with General MacArthur on the granting of a similar series of "ferry stations" on the Hawaii-Philippine route. Meanwhile the Portuguese government is greatly disturbed by the activities of the Japanese on the Island of Timor, where they are developing a consulate of suspicious size at this new air-line terminal.

Bombers for the Far East

A new stage has been reached in our relations with Brazil. A request that we be permitted to fly sixteen Army Consolidated B-24 bombers to Africa over the Belem-Natal ferry route was promptly granted. These bombers were nominally intended for General MacArthur at Manila, but Ambassador Caffery was to
confide in the Brazilian authorities that they might be diverted elsewhere after reaching Africa. The whole situation is enigmatic. Mr. Caffery was later told that such diversion would probably take place only in the Pacific area and not to the Middle East. It is not clear why planes should be sent by such a circuitous route to the Far East.

American Patrol Bases in Brazil

The State Department has now forwarded to Mr. Caffery a letter from Admiral Stark, couched in energetic terms and making a forthright case for the urgent need of naval plane patrol bases at Natal and Maceio. These concessions have become essential to hemisphere defense in the light of the recent sinkings in the South Atlantic and in the interest of relieving the heavy burden imposed on our naval resources by patrol and convoy duty, declared Admiral Stark. (It is to be assumed that the burden of naval protection will be notably increased as the supply route to Archangel is more fully exploited).

These two steps—the request for permission to ferry military planes and the request for granting of patrol bases—represent a planned development in the policy of the United States toward Brazil.

Axis Air Lines

Meanwhile our government continued its campaign for the elimination of axis air lines in South America. Under
the menace of the black list, Standard Oil of New Jersey directed its subsidiaries to sell no further stocks of fuel to Lati, and YPF will be brought to heel by similar methods if necessary. American planes are promised in time and in sufficient numbers to fill the expected vacuum to be left when Condor expires. But the Brazilian Foreign Minister warns that the planes must be on hand before Brazil will consent to Condor's demise.

Mr. Caffery is definitely unsympathetic with the strong line adopted toward Brazil, points out that Brazil has given consistently and received little but promises, and reports that even President Vargas has now joined the chorus of criticism of our lend-lease aid.

Chilean Move for Hemisphere Defense

Heartening cooperation in hemisphere defense has come from Chile, where Foreign Minister Rossetti has suggested a Chilean-American military alliance and certain concrete defense steps, such as the fortification of the Straits of Magellan by Argentina and Chile.

The Peruvian Imbroglio

In Peru competent observers believe that, as a result of the plane seizure incident, feeling toward America has never been more bitter. American naval and aviation missions complain that their work has been disrupted. And Mr. Norweb has urged that the War Department offer to replace the attached
planes within a reasonable period of time, a suggestion to which the State Department is now giving its urgent attention.

**We Act in Spain and Finland**

American initiatives are evident in Europe as well as in the Far East and South America. Preliminary obstacles have been swept aside in Spain; and conversations on the projected Spanish-American trade agreement are about to begin. Mr. Weddell urges that reasonable American concessions be granted in the interest of preventing a recurrence of the turmoil of the revolutionary period, which would improve the chances of an invited German occupation of Spain.

Finland has again been warned that a continuance of her offensive against Russia will lose her the friendship of the United States, and furthermore that any attack from Finnish-held territory on American supplies travelling the Arctic route to Russia will precipitate a crisis in our relations. Latest indications are that Finland will adhere to her adapted policy of holding strategic defense positions within Russian territory.

**Set-back for Collaboration**

The German military victories do not appear to be yielding results in the political sphere at all commensurate with their magnitude. In France, as an example, the Germans appear to have lost ground recently. It is true that the
victories in Russia are reported to have caused widespread
discouragement among the French, who are loud in their
criticism of British failure to capitalize present "opportuni-
ties." It is true also that the Germans have finally received
the right to establish "branches" of the Paris embassy in
various places, and among others in Algiers and Casablanca
(Baron von Neurath is reported to have arrived to establish
the Casablanca "office.")

On the other hand, the whole policy of "collaboration"
has been given a definite set-back by the German reprisals.
France has been deeply stirred by these acts and shocked by
the offer of huge rewards for the betrayal of the guilty.
Our Berlin embassy notes that the German press has not men-
tioned collaboration for weeks nor has it referred to the
anniversary of the Montoire meeting which it was said might
usher in a new period of Franco-German cooperation.

Italian Reactions to Nazism

Nor is Italy reacting to Nazi successes as the Germans
would wish. Mr. Wadsworth cites the usual estimate—that
the population is seventy per cent anti-Fascist—and notes
the gradual growth of a widespread movement against the regime,
a movement as yet disnucleated and non-dynamic and reflecting
food shortages, military losses, war-weariness, and Germano-
phobia. The latter is expressed in many ways, recently by
the resistance of the army to the sending of four divisions to Russia (to join the four already there,) the fear being that these soldiers might later become German hostages. The Italian attitude is reflected in the reaction to the recent bombing of Naples, when, according to Vatican circles, the Neapolitans appreciated the consideration shown by RAF fliers who obviously sought out military objectives (with small casualties resulting).

The Germans are taking vigorous measures to counteract the anti-axis sentiment of the Italian populace. Most recent of these was the Italo-German trade accord which was hailed, at least in German circles, as offering notable advantages to the Italian economy.

**German Problems in Occupied Russia**

In the last analysis, although the Russians have suffered losses of a most critical character in the Eastern campaign, it is nonetheless true that Nazi successes have left the Germans with tremendous problems. This aspect of the campaign is thrown into sharp relief by the report of Mr. Oechsner, a United Press Correspondent who has just returned to Bucharest after making an extensive journey in the Ukraine in company with other journalists and at the invitation of the German military. Not only has agricultural and industrial machinery been removed or sabotaged, but the able-bodied men have migrated
to the east. Even the repatriated prisoners are viewed as inadequate to the vast task in prospect, and the Germans, already with labor shortages at home, are faced with the problem of importing labor and even of laboring themselves in the colossal task of Russian reconstruction, essential prelude to any effective economic exploitation of their conquest.
TO
Secretary Morgenthau
FROM
Mr. Kamarok

1. During the greater part of May, very little bombing activity occurred due to bad weather. This inactivity made possible the great attack of May 30/31 on Cologne. In May, around 3,000 tons of bombs were dropped on German targets, or a monthly rate no greater than has often been achieved in the past. However, half of this tonnage was dropped in one night on one objective, Cologne.

2. The Royal Air Force also sowed 1,000 mines during May. A large number of these were laid in the Baltic, as a help to Russia. Even if the mines do not sink any German ships, they tie up a large number of men and vessels in mine-sweeping.

3. The British tried two experiments during the month, the thousand-bomber attack on Cologne being immediately the most important and the most publicized. The use of the new Mosquito bombers may also prove to be a significant development. The British have never been able to make daylight bombing raids beyond the range of their fighters except as a sort of stunt and with heavy losses. The R. A. F. is now, it appears, attempting to use the Mosquitoes as fast day bombers. If long-distance daylight bombing with its high accuracy is practicable, the recent experimental use of a few Mosquitoes may prove to be as important in the winning of the war as the "four-figure" night bomber raids.
### I. Losses

R.A.F. bomber losses in night raids over Western Europe

<table>
<thead>
<tr>
<th>Port</th>
<th>Losses during May</th>
<th>Total losses in the war to June 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

117   1,750

### II. Analysis of Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Attacks during May</th>
<th>Total number of attacks in war to June 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>37</td>
<td>1,603</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>11</td>
<td>948</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>12</td>
<td>911</td>
</tr>
<tr>
<td>Oil refineries, synthetic plants</td>
<td>0</td>
<td>360</td>
</tr>
<tr>
<td>and tank farms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total of above</td>
<td>60</td>
<td>3,822</td>
</tr>
</tbody>
</table>

### III. Leading Cities Attacked

#### A. Germany

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during May</th>
<th>Total number of attacks in war to June 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cologne (industrial center)</td>
<td>1</td>
<td>102</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>0</td>
<td>93</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>1</td>
<td>88</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>0</td>
<td>72</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>0</td>
<td>61</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>0</td>
<td>59</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>1</td>
<td>58</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>0</td>
<td>49</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Total of above (11 cities)</td>
<td>3</td>
<td>717</td>
</tr>
</tbody>
</table>

#### B. Occupied Areas

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during May</th>
<th>Total number of attacks in war to June 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulogne (port)</td>
<td>2</td>
<td>122</td>
</tr>
<tr>
<td>Brest (port)</td>
<td>0</td>
<td>107</td>
</tr>
<tr>
<td>Ostend (port)</td>
<td>1</td>
<td>104</td>
</tr>
<tr>
<td>Calais (port)</td>
<td>4</td>
<td>83</td>
</tr>
<tr>
<td>Flushing (port)</td>
<td>1</td>
<td>64</td>
</tr>
<tr>
<td>Lorient (port)</td>
<td>0</td>
<td>53</td>
</tr>
<tr>
<td>Paris (industrial center)</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Trondheim (naval base)</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total of above (8 cities)</td>
<td>9</td>
<td>540</td>
</tr>
</tbody>
</table>

#### C. Italy

<table>
<thead>
<tr>
<th>City</th>
<th>Attacks during May</th>
<th>Total number of attacks in war to June 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naples (port)</td>
<td>0</td>
<td>24</td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>38</td>
</tr>
</tbody>
</table>
Subject: R.A.F. Activity in June, 1942

1. In June, the R.A.F. made two 1,000 plane raids, one on Essen at the beginning of the month and one on Bremen on the night of June 25/26. To these two cities must be added Emden as a favorite target for the R.A.F. bombers in June. According to the statistics, the R.A.F. dropped approximately 1,500 tons of bombs on each of these three cities during the month. The total tonnage dropped in the night raids during the month totalled more than 5,000 tons, compared to 3,000 tons in June a year ago.

2. According to later Intelligence reports, the German authorities were quite unable to cope with the situation in Cologne following the R.A.F. big attack in May. Emergency feeding, first aid, and evacuation measures broke down. Some people had to walk over 30 miles to find lodging. S.A. and S.S. officials deserted the city under the pretext of seeking emergency accommodation for the homeless. The raids may have seriously deranged the supplies of Ruhr coal and coke for industry.

3. In its daylight sweeps over western Europe, the Royal Air Force is conducting an effective locomotive hunt. (It will be remembered that Hitler in his April speech let slip the information that the German locomotive position was tight). On the Nord system in France, which was already desperately short of locomotives, 50 have been put out of action.
I. Losses

<table>
<thead>
<tr>
<th>Losses during June</th>
<th>Total losses in the war to July 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.A.F. bomber losses in night raids over Western Europe</td>
<td>204</td>
</tr>
</tbody>
</table>

II. Analysis of Targets

<table>
<thead>
<tr>
<th>Attacks during June</th>
<th>Total number of attacks in war to July 1, 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports, docks, shipping</td>
<td>30</td>
</tr>
<tr>
<td>Industrial plants</td>
<td>7</td>
</tr>
<tr>
<td>Airdromes and seaplane bases</td>
<td>26</td>
</tr>
<tr>
<td>Oil refineries, synthetic plants and tank farms</td>
<td>0</td>
</tr>
<tr>
<td>Total of above</td>
<td>63</td>
</tr>
</tbody>
</table>

II. Leading Cities Attacked

A. Germany

<table>
<thead>
<tr>
<th>City</th>
<th>Total of above (11 cities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cologne (industrial center)</td>
<td>0</td>
</tr>
<tr>
<td>Bremen (port)</td>
<td>4</td>
</tr>
<tr>
<td>Hamburg (port)</td>
<td>4</td>
</tr>
<tr>
<td>Emden (port)</td>
<td>4</td>
</tr>
<tr>
<td>Wilhelmshaven (port)</td>
<td>0</td>
</tr>
<tr>
<td>Kiel (port)</td>
<td>0</td>
</tr>
<tr>
<td>Mannheim (industrial center)</td>
<td>0</td>
</tr>
<tr>
<td>Essen (industrial center)</td>
<td>2</td>
</tr>
<tr>
<td>Berlin (industrial center)</td>
<td>0</td>
</tr>
<tr>
<td>Gelsenkirchen (synthetic oil)</td>
<td>0</td>
</tr>
<tr>
<td>Hanover (synthetic oil)</td>
<td>0</td>
</tr>
<tr>
<td>Total of above (11 cities)</td>
<td>10</td>
</tr>
</tbody>
</table>

B. Occupied Areas

<table>
<thead>
<tr>
<th>City</th>
<th>Total of above (8 cities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boulogne (port)</td>
<td>0</td>
</tr>
<tr>
<td>Brest (port)</td>
<td>0</td>
</tr>
<tr>
<td>Ostend (port)</td>
<td>0</td>
</tr>
<tr>
<td>Calais (port)</td>
<td>0</td>
</tr>
<tr>
<td>Flushing (port)</td>
<td>0</td>
</tr>
<tr>
<td>Lorient (port)</td>
<td>0</td>
</tr>
<tr>
<td>Paris (industrial center)</td>
<td>0</td>
</tr>
<tr>
<td>Trondheim (naval base)</td>
<td>0</td>
</tr>
<tr>
<td>Total of above (8 cities)</td>
<td>0</td>
</tr>
</tbody>
</table>

C. Italy

<table>
<thead>
<tr>
<th>City</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naples (port)</td>
<td>0</td>
</tr>
<tr>
<td>Turin (industrial center)</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE: July 26, 1942

TO
Secretary Morgenthau

FROM
Lieutenant Kamarck

Subject: Of Possible Interest: Observations on the Army of the United States

(While the sample of the army I have seen so far has been very small, still, some of the conclusions which can be drawn might be of interest.)

1. Morale is good. There is more hard work and less complaining than I have ever seen in the Army in the past. The war is a serious job and it is taken seriously. In general, while everybody is too busy with Army duties to do much thinking on developments in the war, there is a deep interest in events. The most intense interest is shown in the fighting in Russia. There appears to be a widespread fear that if Russia is let down this summer, the war will be prolonged for years. As one young second-lieutenant put it: "I may yet get to be Chief of Staff."

2. The Army has learned from the campaigns abroad. A serious effort is being made to gear the army to blitzkrieg tactics. In the field artillery, it is clearly recognised that our guns are now once again in the front line and not, as in World War I, in comparative safety behind the lines. The following resulting changes have been made in field artillery technique:

(a) Firing has speeded up. Many short-cuts in the preparation of firing data and in the conduct of fire have been introduced.

(b) Training is given in point-blank fire at fortifications and in fire at tanks.

(c) The field artillery is taught to rely on itself for defense against enemy infantry. A few years ago a cannonier never saw a rifle. Now he learns to use it and the bayonet, too.

Regraded Unclassified
3. The Army is in process of changing to a new method of recruiting officers. The pool of reserve officers has been practically exhausted. Most new officers, from now on, will come up through the ranks and be trained in the Officer Candidate Schools. In this regard, too, the Army is adopting the practice current abroad: In England, Germany, Russia, all new officers must have passed through the ranks before being commissioned.

4. The new artillery material is very good. Our new light field piece, the basic artillery of the Army, is now the 105 mm. howitzer which has superseded the obsolete French 75. The 105 should really be called a gun-howitzer as its tube length is on the border-line between gun and howitzer and it is versatile enough to do both jobs well. It is the same caliber as the German light field piece and is certainly as good. The British 25-pounder gun-howitzer fires a lighter shell than our howitzer’s 33-pound shell and probably does not have as great a range.