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Navy Dept.

Jan. - Feb. 1938

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FROM: COMRON 40 T

ACTION: NAVY DEPT

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1938

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ROUTINE

IN ADDITION TO THE PROBLEM OF EVACUATING WHAT FEW AMERICAN CITIZENS WOULD BE WILLING TO LEAVE SPAIN IN THE EVENT OF MORE SERIOUS DEVELOP-

MENTS COMRON 40 IS OF THE OPINION BASED ON PERSONAL INFORMATION OBTAIN ED BY FLAG SECRETARY WHO HAS JUST RETURNED FROM BARCELONA THAT CONTINU-

ANCE OF THE NATIONALIST DRIVE ALONG THE ARAGON FRONT WOULD DOUBTLESS IN- TERRUPT MOTOR COMMUNICATION BETWEEN BARCELONA AND THE FRENCH FRONTIER

AND THUS ISOLATE MEMBERS OF THE EMBASSY AND CONSULATE GENERAL STAFF FROM ONE OF THEIR MAIN SOURCES OF FOOD SUPPLY PERIOD SINCE SUCH A SITUATION

MIGHT DEVELOP MOMENTARILY COMRON 40 UNLESS CONTRARY INSTRUCTIONS ARE RECEIVED FROM THE DEPARTMENT WILL BE PREPARED TO DISPATCH A VESSEL UPON

REQUEST OF THE CHARGE D AFFAIRES AT BARCELONA 1445
TOR IN CODEROOM 1245 28 MARCH 1938

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13.....ACTION

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DDO DIR. 5200.9 (9/27/68)

Date- 11-8-67

Signature- Carl L. Spicer

Capt. Woodson

[1-5-38]

OFFICE OF
THE ASSISTANT SECRETARY OF THE NAVY

copy

Information in regard to High Speed
Torpedo Boat (Aluminum)

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PSF Navy

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DOD DIR. 5200.9 (9/27/58)

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON

5 January 1938.

Date- 4-7-59

Signature- Carl L. Spicer

~~CONFIDENTIAL.~~

SUBJECT: High Speed Destroyer (Aluminum)

1. In December 1936, Mr. Starling Burgess, in association with the Aluminum Company of America, submitted to the Navy Department, a proposal for a "small destroyer" about 250' long, 745 tons displacement, speed about 58 knots to be constructed of aluminum alloy. Later the Bath Iron Works also became interested in this proposition.

2. The General Board examined this proposal, which was very sketchy at that time, and requested Mr. Burgess to submit further necessary data sufficient to form an estimate as to the value of the proposal. This further data was never supplied along the lines requested by the General Board. In view of the non-supply of this design data it became necessary for the Bureau of Construction and Repair to prepare data itself along the lines of the proposal, in order that the General Board might render report on this matter. In order thoroughly to examine the proposal, the Bureau of Construction and Repair prepared preliminary designs, in both steel and aluminum, of vessels of almost the proposed displacement, thus obtaining comparative weight data for aluminum construction. Model tests were run and all angles of the proposal were examined. This investigation is contained in Bureau Construction and Repair Pamphlet entitled "Design History, High Speed Destroyer".

3. On 14 May 1937, the General Board, after discussion with the Bureau of Construction and Repair and examination of its report, together with consideration of such data as was submitted by Mr. Burgess, expressed the opinion that the study made by the Bureau of Construction and Repair was sufficiently exhaustive to indicate that the construction of an aluminum hull, high speed destroyer would not be warranted at this time, due to the lack of corrosion resisting properties of aluminum and also the inherent risk of strength reduction due to temperature about 100° F. This opinion was concurred in by the Chief of Naval Operations and approved by the Secretary of the Navy on 27 May 1937.

4. In connection with this matter however, the General Board considered that, due to the military advantages obtained by the use of aluminum for hull structures, the study of its use be

continued, particularly in connection with the experimental development of motor torpedo boats. Such study is being made, and in addition, final design work is completed on two coastal motor boats of aluminum for the Philippine Government. These Philippine boats and the other motor torpedo boats are much smaller vessels than those proposed by Mr. Burgess. The motor boats range from 50' to 70' in length as compared with 250' proposed by Mr. Burgess.

5. Subsequent to the action taken by the Department as stated above, the Bath Iron Works, represented by Mr. Newell, submitted to the Department in November 1937, a fairly complete set of general plans and a model of a high speed destroyer of about 940 tons trial displacement, 285' long. These plans were prepared for Bath by Gibbs and Cox of New York. They are still under consideration by the material Bureaus and the General Board, and with the model are at present in the General Board Room.

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PSF Navy

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON

10 January 1938

MEMORANDUM FOR: Honorable Marvin H. McIntyre
Secretary to the President

The Assistant Secretary asked me to forward the attached memorandum to you for the use of the President in answering inquiries concerning the expansion of torpedo production.

Respectfully



Lewis Compton
Assistant to
The Assistant Secretary of the Navy

Inclosure.

PSF Navy

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DOD DIR. 5200.9 (9/27/58)

IN REPLY ADDRESS
BUREAU OF ORDNANCE, NAVY DEPARTMENT
AND REFER TO No.

S75 (AB)

NAVY DEPARTMENT
BUREAU OF ORDNANCE

WASHINGTON, D. C.

Date- 2/12/59

Signature- *Carl J. Spicer*

5 January 1938

~~CONFIDENTIAL~~

EXPANSION OF TORPEDO PRODUCTION

1. In 1919, shortly after the World War and before the Washington Disarmament Conference, the Torpedo Station at Newport reached a total of employees of 2758. After the Disarmament Conference for about ten years before 1933 the normal employment was about 1,000.

2. In October and December of 1933 the first destroyers and submarines were laid down in the new Navy Building Program and from 1934 yearly the number of men employed at Newport has increased until now they number 3375, bringing Newport up to its capacity production and using three shifts, [turning out 2-1/2 torpedoes per day with 221 working days to the year.] *This is Confidential & not for publication - P.C.*

3. About \$700,000 has been spent in new construction at Newport in the last five years, including a new ferry boat. Over \$100,000 has been spent annually on new machine tools. Total annual expenditures at the Torpedo Station in 1936 were \$7,450,928; in 1937 they were \$9,305,536. To-day Newport has on order torpedoes to the value of \$29,000,000.

4. By January 1941, 34 new submarines and 89 new destroyers will have been completed. The primary armament of these vessels is torpedoes. Despite the maximum effort at Newport, we face a serious shortage of torpedoes. It is vital that another source of supply be established at once. A study of other possible sources of torpedo production eliminates, for one reason or another, all localities except Newport, Alexandria and San Diego. To further increase Newport is considered inadvisable for the following reasons:

- (1) There is too great a concentration already at Newport. Our entire torpedo manufacturing facilities should not, from a military point of view be concentrated in one place.
- (2) To increase the output 50%, it would be necessary to provide about \$4,500,000 for new buildings and tools.
- (3) It would entail a delay of about one year to construct the buildings and another half year to get the tools in and operating.

~~CONFIDENTIAL~~

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BUREAU OF CONSTRUCTION
NAVY DEPARTMENT
WASHINGTON, D. C.

S75 (A8)

- (4) After the peak, the great reduction in force would be a serious blow to this locality.

Newport's present rate of production can be increased a small amount from 2.5 to 2.75 torpedoes per working day by making shops less congested and modernizing by expenditure of \$1,500,000 for new buildings and \$500,000 for new machine tools. This is some improvement but does not meet our needs.

5. To establish a plant in San Diego would cost about \$4,500,000 and would take about three years to turn out the first torpedo.

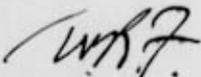
6. To re-equip Alexandria for torpedo production is the most expeditious and the most economical means of meeting this problem. Buildings to the value of \$1,745,000 already exist. An excellent proving range is available. The same military protection provided for the National Capital can protect Alexandria. The purchase and planning organization and the laboratories of the Naval Gun Factory are available to Alexandria, thus reducing overhead costs.

7. The funds asked for Alexandria in the 1939 Budget for all Bureaus are \$1,521,000 and in 1940 to complete the tooling are \$1,146,000. If these funds are provided Alexandria will begin deliveries in January 1940, and both Newport and Alexandria will be operated to their full capacity, Newport at three shifts and Alexandria at one shift, until at least 1944 to provide torpedoes for the new destroyers and submarines now built and building. This will keep these plants operating until that date if not another destroyer or submarine is laid down after the 1939 program.

8. From a standpoint of national security, it is advisable to have at least two plants tooled-up for torpedo manufacture. Two or more plants already in operation at a low rate can be expanded more rapidly in time of emergency than one plant already at capacity.

9. Newport is and will remain our primary source of torpedo manufacture and the center of torpedo research and design. Alexandria is needed now to help relieve the present shortage. It is needed also, and perhaps even more acutely, as a second source of supply capable of immediate expansion in the event of war.

MCS


W. R. Furlong.

~~CONFIDENTIAL~~₂

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

11 January 1938

MEMORANDUM FOR THE PRESIDENT

My dear Mr. President:

In obedience to your request of yesterday the following are the distances by sea in the Western Pacific between the ports and places indicated:

Singapore to Honolulu	-	Miles 5,881
" Midway Island		4,738
" Guam		2,585
" Zamboanga		1,197
" Manila		1,330
" Shanghai		2,210
" Nagasaki		2,415
" Osaka		2,535
" Yokohama		2,894
Midway to Osaka		2,610
" Manila		3,624
" Guam		2,301
" Zamboanga		3,600
" Admiralty Islands		2,730

Most respectfully,

William D. Leahy

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PSF Navy

File Personal

THE ASSISTANT SECRETARY OF THE NAVY
WASHINGTON

14 January 1938

MEMORANDUM FOR THE PRESIDENT:

In further answer to your memorandum in regard to Newport News Shipbuilding Company's lagging in construction, I attach a preliminary report which indicates some of the causes for delay.

A more comprehensive study is being made and a further report will be submitted to you later, but I was anxious to get something in your hands before leaving for my three weeks' trip.

Also, I have telephoned Mr. Ferguson, President, Newport News, and asked him to prepare a statement, as well, in explanation of the situation and he has agreed to do so.

Recently my office and the Shore Establishments Division have been somewhat reorganized. I now have Captain Church available, who was brought here mainly for the purpose of working on expediting the shipbuilding program. He will cover not only the Washington end of it, but also make frequent trips into the field. I hope better results all around will be attained.

Charles Edison

Charles Edison

DELAY ON VESSELS BEING CONSTRUCTED AT NEWPORT
NEWS.

ENTERPRISE (CV6)

Original contract date of completion	2/3/37
Extended " " "	7/3/37
Estimated " " "	5/12/38

Five months' delay was granted because of change in the composition of the gasoline stowage tanks and extension of flight decks. The vessel would probably have been delivered on 15 December 1937 but replacement of the main reduction gears was found necessary. The vessel is now substantially completed except for the replacement of the gears and the work incidental thereto. The first set of gears was delivered on 27 December 1937 and the last set is expected on 1 February 1938. The additional five months' delay has been reported as having been caused by late delivery of shaft struts, gun control equipment and flame-proof cable, heavy snow (4 days), defective armor plate and shortage of mechanics.

BOISE (CL47)

Contract date of completion	8/22/37
Estimated date of completion	7/15/38

No delay has been granted on this vessel. Delays are claimed for: Late delivery of armor, turrets, diesel generators, government furnished material (Ordnance), and plans from the New York Shipbuilding Company, heavy snow (4 days), and re-arrangement of superstructure and plotting room. This vessel would probably have been completed on 15 May 1938 if the ENTERPRISE had not experienced difficulty with her reduction gears. This vessel was delayed by the Contractor in order that they would not be completing two major vessels at the same time.

ST. LOUIS (CL49)

Contract date of completion	1/2/39
Estimated " " "	4/1/39

No delay has been granted for this vessel. The Contractor claims delay for change in the design of the cooling system for the diesel generators, delay in the receipt of special treatment steel, boiler material, and fire control S.T.S. tubes; difficulty in obtaining satisfactory steel castings; non-receipt of information concerning fire control equipment (Ordnance), and delay in action on certain plans.

MUSTIN

Contract date of completion	4/12/39
Estimated " " "(BuEng Est)	7/12/39

A delay of two months has been granted due to the relocation of the auxiliary diesel generators. The contractor has also reported a delay due to a change in the turbine drawings and due to non receipt of structural plans.

RUSSELL

Contract date of completion	6/12/39
Estimated " " "(BuEng Est)	8/12/39

Remarks are the same as for the MUSTIN above.

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THE ASSISTANT SECRETARY OF THE NAVY
WASHINGTON

Edison

1 April 1938

MEMORANDUM FOR

THE PRESIDENT.

Attached is a brief factual statement in regard to delays on the WICHITA, HONOLULU and HELENA.

Most of the causes for delay appear to be something over which the building yard had no control.

The situation in regard to delays in ship-building is regrettable not only on the above ships but on many others.

Yesterday, Secretary Swanson placed the responsibility for coordinating all phases of the Ship-building Program squarely on me and announced this to the Bureaus. It may be said that I already had this obligation but it was all rather vague to the Bureaus and many times I did not get a chance to get in on some decision or lack of it until I stumbled over a situation.

Now, with everybody aware of the fact that there is one point of focus it is my hope that some improvement may be effected in our building schedules.

Respectfully

Charles Edison

Charles Edison

NAVY DEPARTMENT
WASHINGTON

SOSED-1-Kr-3/30

30 March 1938.

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE NAVY

Subject: Construction Report.

1. With reference to the memorandum of the President, dated 16 March 1938, the following are the principal causes of delay on the cruisers WICHITA, HONOLULU and HELENA:

C.A. 45 - WICHITA - (Philadelphia).

Contract date of delivery 1 January 1938.

Probable date of delivery 1 February 1939.

Delay of Department on turret plans over which Yard has no control - 7½ months
Development of an entirely new design over which Yard had no control - 4-6 months
Contributory and concurrent delays caused by changes in fire control arrangement with consequent electrical and structural changes; changes in ventilation layout which resulted in scrapping a considerable amount of design work; changes in compartment and access, and berthing and messing plans which resulted in scrapping a considerable amount of design work; changes in conning tower, late delivery of armor, lack of machine tool capacity, rejection of turbine castings with subsequent delay in awarding another contract

4 months

C.L. 48 - HONOLULU (New York).

Contract date of delivery 1 September 1937.

Probable date of delivery 1 August 1938.

Delays on BROOKLYN are reflected in this vessel. Ship delayed by Yard in order to avoid an inefficient labor policy and maintain a more even work load.

11 months

Contributory and concurrent causes are late delivery of 5" A.A. battery; late delivery of interior side armor; late delivery of turret armor; late delivery of fire control apparatus

11 months

C.L. 50 - HELENA - (New York).

Contract date of completion 16 May 1939.

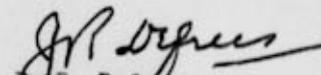
Probable date of completion 2 January 1940.

Late delivery of turbine castings from the Norfolk Navy Yard, over which the New York Yard had no control.

7½ months

Contributory and concurrent causes are late delivery of fire control tubes; late delivery of structural tubing; late delivery of piping system tubing.

5½ months


J. R. DeFrees.

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON

16 November 1938.

MEMORANDUM

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For: The President.

SUBJECT: Small Boat Design Competition.

The first stage of the competition (submitting preliminary designs) has been completed, and the second stage (preparation of final designs) has begun. Ten weeks are allowed for the second stage, terminating on 18 January 1939, for the 54' and 70' classes, and on 25 January 1939, for the 110' and 165' classes.

<u>Preliminary Designs</u> <u>Submitted.</u>	<u>Permitted to make</u> <u>final designs.</u>
54' 24	3
70' 13	5
110' 8	2
165' <u>11</u>	<u>5</u>
56	15

The attached extract from the public invitation shows the prize money to be awarded.

The attached list contains the names of the fifteen designers who have been authorized to enter the Final Design Stage. These names have not been divulged to the material bureaus.

In accordance with your wish as expressed to Captain Callaghan, the plans designated for the Final Design Stage will be delivered to you via Captain Callaghan tomorrow 17 November 1938.

Charles G. Fine
Acting

LIST OF DESIGNERS AUTHORIZED TO ENTER INTO THE
FINAL DESIGN STAGE.

54' Class.

Henry B. Nevins, Inc.,
City Island, N. Y.

A. E. Luders, President,
Luders Marine Construction Co.,
Stamford, Conn.

Pigeon-Hollow-Spar Company,
131 Coleridge St.,
East Boston, Mass.

70' Class.

Mr. W. Starling Burgess,
4 Bath Iron Works,
Bath, Maine.

Mr. M. E. Tullock,
Greenport Basin and Construction Co.
Greenport, L.I.N.Y.

Mr. D. H. Sparkman,
Sparkman and Stephens,
11 E 44th St.,
New York, N.Y.

Mr. A. E. Luders, President
Luders Marine Construction Co.,
Stamford, Conn.

Henry B. Nevins, Inc.,
City Island, N.Y.

110' Class.

Mr. A. E. Luders, Pres.
Luders Marine Construction Co.,
Stamford, Conn.

The Elco Works,
Bayonne, N.J.

165' Class.

Gielow Inc.,
25 W. 43rd St.,
New York, N.Y.

Tams Inc.,
250 Park Ave.,
New York, N.Y.

Mr. Hubert Kempel,
52 Post St.,
Hilton Village, Va.

Chris. B. Nelson,
Box 26,
Annapolis, Md.

S. A. Vincent,
Box 411,
Newport News, Va.

For all Final Designs accepted, the Government will pay the following fees and will retain, as its property and for its exclusive use as it deems fit, all the Data submitted by the competitors:

For the 165' Steel Subchaser.....	\$20,000.00
For the 110' Wood Subchaser.....	\$15,000.00
For the 70' Motor Torpedo Boat.....	\$15,000.00
For the 54' Motor Torpedo Boat.....	\$15,000.00

For all other designs submitted at this time and which include all the required Final Design Data, the Government will pay the following fees and will retain as its property and for ~~its~~ *such* non-exclusive use as it deems fit, all the Data submitted by the competitors:

For the 165' Steel Subchaser.....	\$ 2,000.00
For the 110' Wood Subchaser.....	\$ 1,500.00
For the 70' Motor Torpedo Boat.....	\$ 1,500.00
For the 54' Motor Torpedo Boat.....	\$ 1,500.00

In order to insure impartial consideration in this competition, each competitor, upon receipt of the Department Data, will be assigned a Designating Symbol by the Office of the Assistant Secretary of the Navy, and to be held confidential within that office. All plans and other data submitted by each competitor throughout the competition must only bear this Designating Symbol in order that the agencies within the Department, which must pass upon the designs, will not be cognizant of the origin of the data. No other identification marks will be permitted on the design data submitted to the Navy Department.

Department Data will include only the required military characteristics for each type, plus the weight, general location, and space necessary for those military features. This limitation of Department Data is made for the purpose of allowing the designers the widest possible latitude in development of their design conceptions. The items mentioned in the Department Data are by no means all inclusive as regards items to be shown and carried by the Design. All items required for the service intended must be included in the design. All questions arising during the periods of the design competition must be submitted in writing. Copies of all such questions and the answers will be furnished each competitor.

It being the purpose of the competition to secure for the Government the complete designs, and patent rights relating to material covered thereby, express covenants regarding patents and licenses which will be made a condition of any award are hereinafter set forth.

THE ASSISTANT SECRETARY OF THE NAVY
WASHINGTON

Roberts
File
Private & Confidential

January 15, 1938.

MEMORANDUM FOR MR. MARVIN McINTYRE:

Dear Mac:

The enclosed letter from Mr. William F. Gibbs contains information that I think would be of interest and value to the President in connection with the proposed conference with the Secretary and the bureau chiefs. Even though the letter is a rather long one, I think the President should have this information before the conference.

I would like to invite his particular attention to the summary contained on pages 7 and 8.

Faithfully yours,

Charles Edison

Charles Edison.

GIBBS & COX, INC.ONE BROADWAY
NEW YORK

September 7th, 1937

Honorable Charles Edison,
Assistant Secretary of the Navy,
Navy Department,
Washington, D. C.

My dear Mr. Edison:

1. In accordance with your request, we hereby confirm our conversation of September 2nd, at your office, relative to the request made by representatives of the Russian government that our firm design a battleship for Russia.

2. At our meeting of September 2nd, we referred to a conversation the writer had with Mr. Lewis Compton on August 4th, 1937, during your absence from Washington, in which conversation Mr. Compton stated that you had been approached by certain attorneys representing Russian interests, i.e: The Carp Export and Import Corporation, with a request that you advise us that it was satisfactory to the Navy Department for our firm to design a battleship for Russia.

3. The undersigned stated to Mr. Compton:

(a) That no representative of this firm had ever had any conversation or made any communication with respect to the design of a battleship with persons representing the Russian government, or The Carp Export and Import Corpn.

(b) That the invariable policy of our firm with respect to design work involving foreign naval vessels was that we would not undertake such work under any circumstances, unless we could ascertain in any specific case from duly authorized representatives of the United States Government that such work was advantageous to the government and in line with the foreign and naval policy of the United States.

(c) That while this firm might have a legal right to undertake such design work for foreign powers made no difference, unless the specific project was one which was advantageous to the United States. It was also pointed out that this firm did not consider itself in a position to decide whether any specific project of foreign naval design which might otherwise be legal, would be advantageous to the United States, and therefore any such project would be referred by us to the proper high officers of the Government for a determination on this point before this firm would undertake such a project.

4. Within the last two weeks we have been approached by the Russian interests who requested a conference. Accordingly, a meeting was held at our office on August 24th, and a subsequent meeting on September 1st, 1937. The meetings were attended for the Russians by:

Mr. Sam Carp
Mr. Morris Wolfe
Mr. Valarian Bjesinsky

5. On behalf of our firm, the meeting of August 24th was attended by Mr. F. H. Gibbs and the writer, while the meeting of Sept. 1st was attended by the writer only.

6. We were informed that Mr. Carp is President of The Carp Export and Import Corpn. at 220 Fifth Avenue, New York City. Mr. Carp stated that he is a Russian by birth, but a naturalized American citizen, and that the corporation was organized to carry out arrangements for the design of and fabrication of parts for a battleship in the United States, the parts to be exported and erected at Vladivostock.

7. We were likewise informed that Mr. Bjesinsky was the head of a Technical Commission of several members who had been sent by the U.S.S.R. to aid Mr. Carp with technical advice, and that Mr. Wolfe is an attorney who is associated with Mr. Carp.

8. The Russian representatives stated that they were authorized by the Russian government:

- (a) To negotiate for the preparation of general and detailed working plans of a large battleship of at least 35,000 tons, with a main battery of 16" guns, and in this connection handed to the undersigned a tabulation of general particulars, copy of which is annexed.
- (b) To arrange for the manufacture of apparatus, guns, armor, machinery, auxiliaries and structural parts in this country, the parts to be exported and assembled into a completed ship at Vladivostock.

and they requested our firm to undertake the design and allied technical work.

9. It was further stated by the Russians that in accord with recent treaty arrangements, a battleship for Russia, to be used in the East, was under no limitation of gun sizes or displacement.

10. The Russian representatives further stated that their governmental policy was to develop and further the most advanced technical engineering and scientific approach to such a project and therefore they would expect this firm to develop in such a design a most advanced type of ship, machinery, etc. and they would recognize that such design would not necessarily be in the traditional manner that ships are being designed and constructed for the principal naval powers. In other words, they desired to make at one step, the greatest possible technical advance, unhampered as Russia is by precedent and tradition with respect to heavy naval vessels, and they recognized but accept the greater technical risks associated with such a course.

11. In reply, we restated the condition which had been outlined to Mr. Compton on August 4th, namely that this firm would only undertake work for a foreign government on naval design, provided such work was considered by the proper high officials of the United States government to be to the advantage of the United States.

12. The Russian representatives stated in reply that they had taken up this subject with various high United States government officials of the State and Navy Departments, and that they were satisfied that the United States government considered the project outlined to be advantageous, and that our firm, on inquiry, would receive the assurance it required. In support of these statements the Russian representatives presented an original letter from the State Department dated February 27th, 1937, photostatic copy of which has been obtained from the Russian representatives and is annexed hereto. You will note from this communication that the State Department definitely takes the position there is no objection to the procedure proposed.

13. The undersigned again stated that while this letter from the State Department indicated the legal right of our firm to undertake the design work for Russia, it was not sufficient; it would therefore be necessary for us, before we would consider such an undertaking, to communicate with high officials of the Government and ascertain that the project was to the advantage of the United States in connection with its foreign and naval policy.

14. It was further pointed out that we doubted the Government approbation which was required by us, as outlined in the preceding paragraph would be forthcoming if such a project was allowed to interfere substantially with the present naval building program of the United States, and therefore, modification in the project might be desirable in order to insure that the amended project would be advantageous to the United States and justify the high officials of the United States government in viewing with favor the amended project as one which was advantageous to the foreign and naval policy of the United States.

15. We further pointed out that the amendment of the project might be desirable for technical reasons, one of which was the very great difficulty of making detailed working plans in New York, fabricating the structural parts and apparatus in various plants in the United States and assuring the satisfactory assembly at Vladivostock by more or less inexperienced personnel. Such difficulties could be very much ameliorated if a battleship were completed in the United States, under the direct supervision of the designers, and where inevitable errors could be corrected and necessary changes could be facilitated.

16. In order therefore, to make such a project more advantageous to the United States, and avoid technical difficulties, we recommended that the proper course of procedure would be for Russia to contract for one battleship complete, to be constructed in this country, by a shipyard not now doing or equipped for the construction of heavy naval vessels (cruisers, airplane carriers or battleships). Simultaneously, contracts would be made for all of the materials, apparatus, armor, guns and the like for a duplicate ship, such parts to be exported to Vladivostock and there assembled.

17. We pointed out to the Russian representatives that the construction of a battleship in this country, in a yard not now equipped to build heavy naval vessels would result in the improvement and expansion of construction facilities for heavy shipbuilding, together with training of personnel for such work. Such expansion of heavy shipbuilding facilities in the United States during the next few years is most advantageous since the United States has in mind a considerable program of heavy naval and merchant shipbuilding. In the event of war, such increased heavy shipbuilding facilities are of advantage and the Government would be justified for these reasons in accepting the minor and incidental interference with the current Naval shipbuilding.

18. We further pointed out that the ship being built in the United States would necessarily be in advance of the second ship being assembled in Vladivostock, so that the accuracy of design, correction of errors and the necessary changes would be carried out on the ship being built in the United States, and such corrections and changes would thus expedite and simplify the assembly of the ship at Vladivostock.

19. The Russians replied that their Government had in view the construction of two or more battleships, but that at this time they were only authorized to negotiate for the design of the ship and the fabrication of parts for one vessel to be erected at Vladivostock. The Russians, however, recognized the advantages outlined for the amended project suggested by us. The principle disadvantage that they foresaw was that should Russia become involved in a war in which the United States was not a participant on the side of Russia, that the United States might invoke the Neutrality Law which would prevent the delivery of the ship under construction, or the fabricated parts and apparatus for the ship at Vladivostock. Likewise, they pointed out, in the event the United States became engaged in a war, the battleship building in the United States might be commandeered by the United States government and this procedure might likewise be applied to the parts under construction for the ship in Vladivostock.

20. We pointed out that these contingencies undoubtedly exist and will have to be accepted if the Russians are to secure parts of a battleship or the construction of a battleship in the United States. At the same time, as far as a private citizen can forecast, during the period of five or six years involved in this project, it is difficult to imagine Russia and the United States except in friendly relations, and therefore, in the event the ship or parts were commandeered, it may be assumed that a satisfactory basis of just compensation would be worked out between Russia and the United States.

21. The Russian representatives replied that they were impressed with the wisdom of the amended project, the advantages to both the United States and Russia, and that if we would make a preliminary design which met with their approval, the amended project would be presented by them to their Government, and they believed that the project would be accepted and they would obtain the necessary authority to proceed as outlined above.

22. As you are aware, prior to 1933, our firm confined its activities entirely to the design of commercial vessels. In 1933, due to the expansion of the naval shipbuilding program, private shipbuilders approached us with the suggestion that we act for them in connection with the design work involved if they should secure a naval shipbuilding contract.

23. Before further negotiating with such private shipbuilders as above, the undersigned called on Rear Admiral E. S. Land, (CC), U.S.N., then Chief of the Bureau of Construction & Repair, and Rear Admiral S. M. Robinson, U.S.N., then Chief of the Bureau of Engineering and inquired whether the entrance of this firm into Naval designing would be welcome and advantageous to the Navy. We stated that we had no desire to enter on naval design work and build up the very large technical staff required, unless we could be assured that such a procedure was advantageous to the United States and would be welcomed by the Navy. We were assured that the Navy would welcome the entrance of our firm into naval design work and Admiral Robinson expressed the hope that we would advance Naval engineering in line with the great advance which we had been able to make in connection with engineering in merchant vessels. His feeling was that the Navy required most advanced engineering and that therefore, we would be welcome, in spite of the fact that our firm necessarily lacked intimate knowledge of naval requirements.

24. Acting on this advice and pursuant to the award of destroyers of the 1933 program, our firm undertook, on behalf of United Shipyards, Inc., Federal Shipbuilding & Dry Dock Co. and Bath Iron Works Corpn. the development of plans for Destroyers DD364-369, and the sister ships being built in Navy Yards. The next year, 1934, we undertook the development of the plans of Destroyers DD381 and 383 for Federal Shipbuilding and Dry Dock Company, and in 1935 we undertook the development of the plans for Destroyers DD394 to 396 for Bath Iron Works Corpn., and for Destroyers DD397-399 for Federal Shipbuilding & Dry Dock Company. In 1936 we undertook the development of plans for Destroyers DD409-14 being constructed by Bath Iron Works Corpn., Federal Shipbuilding & Dry Dock Co. and Newport News Shipbuilding & Dry Dock Co.

25. In the development of the DD364-9 Class and subsequent designs, a very modern and novel type of machinery has been developed, which has proven rugged and highly economical; the cruising radius of the destroyers mentioned at 12 and 15 knots, important cruising speeds, being from 25% to 33% greater than destroyers with other types of machinery. Since 1933, the type of machinery suggested by our firm on behalf of the shipyards, has been installed or will be installed in 53 of the 73 destroyers authorized since and including 1933. In this

year's program, for the first time, the Navy Department specified, without alternative, the type of high efficiency and rugged machinery which has been developed under our direction. Our firm is naturally proud of the fact that the Chiefs of the Bureau of Construction & Repair and Engineering, and other officers are pleased and satisfied with the naval designwork that we have done during the last four years and that this year the Navy required the type of machinery we have advocated without permitting an alternative.

26. You are aware that this firm is a corporation, the control of which is owned by Mr. F. H. Gibbs and the undersigned. No shipyard, apparatus manufacturer or material supplier has any interest in this firm, and we are naturally proud of the fact that so far as we know, it is at present the largest independent engineering organization in the world, and its activities are wholly devoted to ship design. We have an organization which totals about 475 persons.

27. The Navy Department, through the Assistant Secretary of the Navy and Technical Bureau Chiefs has expressed the opinion that our firm, with its intimate knowledge of destroyer design, is a distinct asset to the United States in the event of a national emergency. Due to our independent status and the confidence of the Navy in our principles, we are in a position to act with smaller shipyards, inexperienced in naval work but which may well be called on to build destroyers for the Navy in case of war and thus by handling the technical details with these yards, assist, relieve and conserve the technical personnel of the Navy.

28. The building up of this organization for naval design work has entailed great and painstaking effort, and the success which has attended the work carried out, as attested by the adoption in the latest vessels of the engineering principles advocated by this firm is a source of great satisfaction. You can well understand, therefore why this firm will take no action or undertake no work of any kind, and particularly naval design work for foreign powers which will in any way tend to affect adversely our standing with the United States Navy. We repeat that we are proud of this high standing and much as we would regret to have to disband a large part of our staff on account of having no Naval design work to do, we would face such a contingency rather than undertake any foreign design work which was not advantageous to the naval and foreign policy of the United States.

29. During our conference of September 2nd, you deplored the necessity for the building of naval vessels. We agree with you fully in this; but in view of the World War and unhappy developments since, it is agreed that this country cannot fail to provide adequately for national defense.

30. In so far as the Russian proposal is concerned, you pointed out, in which thought we fully concur, that a refusal to assist the Russians in the construction of battleships will not prevent Russia building battleships in one way or another. If, therefore, the project as outlined above for the construction of a battleship in this country and the supplying of apparatus, structural parts and the like for assembly at Vladivostock of a second ship is definitely advantageous to the United States, we would feel justified in undertaking the work. Conversely, if it is not to the advantage of the United States, we would not care to undertake it.

31. We desire to summarize the advantages to the United States of this project, which you reviewed during our meeting of September 2nd:

(a) A large battleship of the most modern type would be under construction in the United States during the next five or six years, so that if the United States should become involved in a war, such a vessel might be commandeered and thus added to the naval strength of the United States to assist in meeting such an emergency.

(b) A shipbuilding yard, not now equipped for heavy naval construction will have its facilities expanded and developed, and its personnel trained so that the United States will have available an additional major shipbuilding establishment, capable of handling heavy naval work in an emergency and also capable of handling heavy commercial work, a program of which has been proposed by the U. S. Maritime Commission.

(c) A large sum of money will be spent in the heavy technical industries of the United States.

(d) In accordance with the requirements of the Russians, such a battleship will contain the most advanced engineering and design without the necessity for adhering to procedures and precedents which surround such construction for the principle naval powers. In other words, advanced technique may be installed in such a vessel and resulting sound conclusions will be drawn therefrom to the advantage of the United States Navy.

(e) It would be a condition of the arrangement with the Russians (with which they have concurred) that all of the information with respect to the Battleship design and construction would be made available to the United States Naval authorities as the work proceeds so that our technical bureaus would have available such current information for comparison with designs which they have now underway. We, in turn, would not expect information on the latest American developments, except those which the Naval technical bureaus would feel it advisable that we should have.

(f) The carrying out of such a project by our firm will assure the continuance of our organization in the design of naval vessels and will expand its information and experience with respect to heavy naval vessels.

32. There appear to be possible disadvantages which you suggested as follows:

(a) That our firm would seek to obtain information with respect to current battleship design from the Navy and disclose such information to the Russians.

Summary
Page 7

(b) That we would be in a position to hire draftsmen or other technical assistants at large increases of pay, thus attracting from yards presently engaged in naval design work for the United States men needed for such work.

33. The undersigned pointed out to you in connection with Paragraph 32 (a) relating to disclosure of secret information, that the experience of the Government with us over a period of fourteen (14) years, and the intimate experience of the Navy with our firm over a period of four years must have indicated our good faith and our desire at all times to assist the government. We would hardly approach this Russian project as disclosed in this communication and as discussed with you, unless we were prepared to take every reasonable precaution to prevent the disclosure of secret information. Our work to date for the Navy has been wholly on destroyers which are unlike battleships, and therefore, aside from the fact that we are experienced engineers, we would not feel that the work we have done thus far for the Government would involve the risk of disclosure of Naval secrets in respect of battleship design. We understand that the Navy is in accord with making available information on older battleships designed fifteen or more years ago, but beyond this we would not seek information from the Navy.

34. In connection with Paragraph 32 (b) above, relating to hiring technical men on high salaries, we have faced the contingency to which you refer during the last four years. During that time we have built up a large staff and we have not sought to hire draftsmen or technical men from a Navy Yard or private shipyard doing Navy work, unless we could satisfy ourselves that the employer in question would not be handicapped thereby. Our policy in this respect is well known in the industry. A large part of our staff has been recruited from personnel in other industries. With respect to the scale of pay, the policy of our firm is to pay the highest salary rate determined by the prevailing rates for the technical personnel in the largest shipbuilding firms, taking into consideration the fact that our establishment is located in New York City where the cost of living is admittedly higher. We assure you that we have no intention of deviating from this policy, in the event that we should undertake the work of design on the Russian battleship, and we point out that our organization is fully manned so that we do not face the problem of building it up as we did in 1933. It should be understood, however, that we will have to acquire certain specialists, but this is quite different from building up a large organization at the expense of the yards doing naval work.

35. We have felt it desirable to put before you fully this confirmation of the conversation which we had with you on September 2nd, at which Mr. Compton was also present, because this matter is a most important one for our firm, and we must be guided by the opinion of the high officers of our Government who are able to tell us whether this project is to the advantage of the United States.

36. We will welcome the opportunity to discuss this matter fully at the meeting which we understand will be arranged by you with the Chief of Naval Operations, Chief of the Bureau of Construction & Repair and Chief of the Bureau of Engineering.

37. Thanking you for your consideration of this matter, we remain.

Respectfully yours,

GIBBS & COX, INC.

William Francis Gibbs
WILLIAM FRANCIS GIBBS

BATTLESHIP

Characteristics:

Standard displacement

not less 35,000 tons

Armament:

1st variation:

Nine 406 mm (16 in.) guns in 3 triple turrets

Sixteen 130 mm (5.1 in) guns in 8 double turrets

Sixteen 37 mm automatic guns in pair mounts

2nd Variation:

Nine 406 mm (16 in) guns in 3 triple turrets

Twelve 152 mm (6 in) guns in 6 double turrets

Twelve 100 mm (3.94 in) guns

Sixteen 37 mm automatic guns in pair mounts

Fire Control:

Complete systems

Ammunition:

For 406 mm (16 in)

100 shells per gun

For 130 mm (5.1 in)

200 shells per gun

For 100 mm (3.94 in)

400 shells per gun

For 37 mm

2000 shells per gun

Armor:

Deck - 203 mm (8 in)

Belt - 406 mm (16 in)

Speed: 30 Knots

Radius of Action: 5,000 miles at economical speed

Weight of Turret, with armor of the revolving portion: 2100 tons

Diameter of Turret's base band: 12.m m.

Catapults for Airplanes



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
CA 711.00111 Armament Control/413
Military Secrets

February 27, 1937

Carp Export & Import Corporation,
220 Fifth Avenue,
New York, New York.

Sirs:

The receipt is acknowledged of your letter of February 20, 1937, with further reference to your proposal to purchase in this country for exportation to the Union of Soviet Socialist Republics materials, specifications, and equipment for use in the construction and arming of naval vessels.

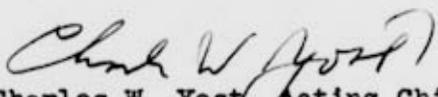
As stated in my letter of January 13, there are no treaties or statutes, except the provisions of the Espionage Act of June 15, 1917, in regard to the revelation of information relating to the National Defense, which would constrain private American naval architects from preparing designs, plans, working drawings and specifications for vessels to be exported to the Union of Soviet Socialist Republics, or American companies from manufacturing and
selling

selling for export to the Union of Soviet Socialist Republics equipment for naval vessels, and there would be no objection on the part of this Government to transactions of this character which were in accordance with the law.

I shall be pleased to provide appropriate information concerning the policy of this Government with reference to transactions of this nature to any American manufacturer or other interested person who might make inquiry in regard thereto, but I would not consider it proper to initiate correspondence on this subject with a manufacturer who had not addressed an inquiry to me.

Very truly yours,

For the Secretary of State:


Charles W. Yost, Acting Chief
Office of Arms and Munitions Control

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

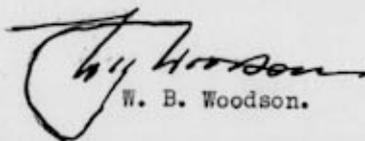
PSF
File
personal
navy

19 January, 1938.

Memorandum For The President:-

Subject: Tugs, Yachts and Patrol Vessels - Use of by
the Navy.

1. Referring to your memorandum regarding the
above subject, I enclose a memorandum from the Chief of
Naval Operations giving the information desired.
2. The steps already taken and now being taken
by the Navy Department appear adequate.


W. B. Woodson.

PSF Navy

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

Op-12D-MG
(SC) A4-3/L9

19 JAN 1938

~~CONFIDENTIAL~~
CONFIDENTIAL

Memorandum for the Naval Aide to the President.

1. With reference to your memorandum of 17 January 1938, the following information is submitted:

(a) The Commandant of each Naval District maintains lists of all small craft within his district, classified in accordance with their possible use by the Navy in war. Included in these lists are yachts, both large and small. Most of these yachts fall in the categories of patrol vessels, escort vessels and submarine chasers. Reports of these vessels, by name, are submitted to the Chief of Naval Operations semi-annually on 1 April and 1 September.

Under the Merchant Marine Act of 1936, authority for requisitioning these vessels is vested in the Maritime Commission. This act provides that, when taken or used, the owner shall be paid the fair actual value at the time of taking, or just compensation for the vessel's use. "In the case of a vessel taken and used, but not purchased, the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition."

The question of the actual taking over of these vessels is now under study by the Maritime Commission and the Navy Department. Tentative procedure, agreed upon to date, provides that District Commandants will furnish the representative of the Maritime Commission in the district a list of vessels to be requisitioned. These craft will be requisitioned by the Commission through proper notification to owners, but the actual physical taking over will be accomplished by the representatives of the Navy, who will be responsible for furnishing to the Commission a complete survey report, inventories, expendable equipment, etc. on forms furnished for that purpose.

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DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- Carl J. Spicer

~~CONFIDENTIAL~~
CONFIDENTIAL

(b) Lists of vessels, by name, suitable for use as seagoing tugs and/or coastal minesweepers are also maintained by the District Commandant under the same conditions as outlined above for patrol vessels. Most of the trawlers, fishing vessels, etc., are at present classed as coastal minesweepers, but their characteristics are known and they can be used as seagoing tugs if necessity arises.

2. The number of vessels at present carried in the classes covering yachts, fishing vessels and seagoing tugs are as given below:

Coastal Mine Sweepers

512

Seagoing Tugs

147

Sub Chasers

111

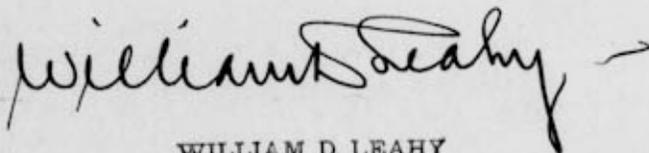
Yachts (seagoing)

19

Yachts (coastal)

52

Inspection and listing is still going on.



WILLIAM D. LEAHY

January 15, 1938

*file
navy*

Memo to Captain Woodson from the President
In re-checking availability of yachts and tugs for
patrol in case of War.

~~SEE Captain Woodson (S) Drawer 2--1938~~

See--PPF 4354

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

*file
Confidential*

Confidential

21 January, 1938.

Dear Miss Le Hand:-

Will you please hand the
President this memorandum to him from
the Chief of Naval Operations.

I am sure that the President
is much interested.

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DECLASSIFIED

Sincerely,

DOD DIR. 5200.9 (9/27/58)

Date- 4-7-59

Signature- *Carl S. Spicer*

W. B. Woodson
W. B. Woodson,
Captain, U. S. Navy,
Naval Aide to the President.

Miss M. A. Le Hand,
The White House,
Washington, D. C.

Enclosure: (Confidential)

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

20 January 1938

MEMORANDUM FOR THE PRESIDENT

My dear Mr. President:

The following extracts of a report received this day from the Naval Attache in Italy and dated 31 December 1937 are quoted for information:

"Italian reaction to The President's diplomacy implemented by the sinking of the PANAY is of particular interest and importance. No news from the United States in recent years has produced such a profound impression. It is worthy of note to observe that which does impress the Dictatorship Countries....."

"From all sides and from people of different walks of life and social status, I have been asked, "Does the President really mean business?" So many "incidents" have occurred in the unsettled world, particularly Europe, in connection with the Spanish and Mediterranean situations, that many people have lost their perspective and cannot evaluate such important occurrences on the other side of the world, being engrossed in their own problems nearer home.

"Many Italian business men, financiers and others of prominent families of long standing, however, realize that the United States and the British Empire are the great Consumer Countries, possessed of great wealth and extensive resources, and to whom Italy must look for future financial loans for development and consolidation of Ethiopia. The financial position of all three members of the Anti-Comintern Triangle is strained and it is not difficult to visualize the results upon them of a long war involving an economic and naval blockade.

"Foreign Minister Eden stated in a Commons debate (during the recent Brussels Conference) that the British Empire was prepared to go as far as the United States and in conjunction with her in the Far

B3 F
Navy -

East. The Dictators know the British Empire is in no position to do so alone. With the United States by her side the situation would be entirely different. The United States is therefore in a position where powerful, firm leadership in world diplomacy could accomplish more for world peace during the next few years than any other Country; but the success of this diplomacy depends completely upon a firm conviction by the Dictatorship Countries that the United States is ready and willing to fight for protection of its interests.

"Alignment of Italy with Japan is not popular in Italy. It is regarded as a political expedient aimed principally at England. Had Italy not become involved in Spain, she would probably never have adhered to the Anti-Comintern Pact. The warning of Mussolini against the "Yellow Peril" three years ago has not been forgotten. It would be a tremendously grave, if not insuperable, problem to sustain the morale of the Italian people in a protracted war as an ally of Japan.

"Apparently Il Duce feels impelled to give press and diplomatic support to Japan since joining the Anti-Comintern Pact. American press representatives in Rome are reliably informed that after Italy signed the Anti-Comintern Pact a general order was issued to the press to be favorable to Japan. This undoubtedly is responsible for the unfriendly Italian press regarding the loss of the PANAY and the diplomatic correspondence resulting therefrom. The editorial entitled "The Ludlow Case" which appeared 28 December, 1937, in Il Popolo d'Italia, is in line with the effort of the Government-controlled press to allay the anxieties of the thinking people of Italy with reference to what they consider the dangerous political policy of the Duce."

Most respectfully,

William Leahy

BF
January 28, 1938. *fill
now*

Memo for the Pres.
From Steve Early

In re-Admiral Leahy telling the Press that Captain
Ingersoll went to London on a mission for him in
order to gain information from the British Admiralty
on the methods used for computing exact tonnages of
Men or War.

SEE--Steve Early folder-Drawer 2--1938

BF
Hany -

Feb. 3, 1938.

Telegram sent to Embassy at Tokyo
from Hull

In re-Editorial comment on the mutilation of the flag
etc.

SEE--Cordell Hull folder-Drawer 1--1938

NAVAL MESSAGE
(NAVY DEPARTMENT)

From USS SWALLOW	ACTION	To	CINCUS OPNAV COMTHIRTEEN
Released by X-G Y-S (signature)		To	
Date 19 FEBRUARY 1938	INFORMATION		
NITE to			
ROUTINE to			
PRIORITY to ALL			

Write ACK after address
requiring acknowledgment

ØØ19 SWALLOW IS AGROUND IN HARBOR ENTRANCE AT KANAGA WITH ENGINES
DISABLED. ALTHOUGH ABONDONING SHIP IS NOT NECESSARY AT THIS TIME
AS A PREVENTION AGAINST FUTURE DEVELOPMENTS WE ARE LANDING Ø815
TOR IN CODE ROOM 161ØW19 FEB

DISTRIBUTION

38.....ACTION

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BUAER.....BUNAV.....

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INCOMING

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DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- Paul J. Spicer

NAVAL MESSAGE
(NAVY DEPARTMENT)

From USS SWALLOW	ACTION	To CINCUS NAVY DEPT COMTHIRTEEN	Write A.C.B. after address requiring acknowledgment
Released by X-G Y-S (Signature)		To	
Date 19 FEB 1938	INFORMATION		
NITE to			
ROUTINE to			
PRIORITY to ALL			

**Ø19 SWALLOWS STERN IS SETTLING TO THE LEVEL OF THE MAIN DECK
DUE TO ALL COMPARTMENTS BEING FLOODED. QUARTERS ARE AVAILABLE
FOR SHIPS PERSONNEL Ø959**

TOR IN CODE ROOM 1758 19 FEB

DISTRIBUTION

38 ACTION.....

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BUAER.....BUENG.....

HYDRO.....NAVAIDE.....

INCOMING

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DOD DIR. 5200.9 (9/27/58)

Date- **2/12/59**

Signature- *Paul J. Spicer*

NAVAL MESSAGE
(NAVY DEPARTMENT)

From USS SWALLOW	ACTION	To OPNAV COMTHIRTEEN CINCUS	Write ACK. after address requiring acknowledgment
Released by X-S Y-8 (signature)			
Date 2nd FEB 1938	INFORMATION	To	
NITE to			
ROUTINE to			
PRIORITY to ALL			

019 SINCE SWALLOW IS WORKING UP ON SHORE AND APPEARS THAT SHE MIGHT TURN OVER BEFORE MORNING WE HAVE ABANDONED SHIP. WE ARE PROVIDED WITH FACILITIES AT THE BASE FOR MAINTAINING A SHIP RADIO WATCH 2205

TO IN CODE ROOM 0205 20 FEB

30.....ACTION

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BUACR.....BUHAY....

BUCCN.....BUENG....

HYDRO.....NAVAIDE...

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DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- *Carl F. Spicer*

NAVAL MESSAGE
(NAVY DEPARTMENT)

From COMTHIRTEEN	ACTION	To NAVY DEPT	Write A.C.K. after address requiring acknowledgment
Released by X-G-S Y-S (signature)			
Date 19 FEB 1938	INFORMATION	To CINCUS	
NITE to		USS SWALLOW	
ROUTINE to			
PRIORITY to ALL			

ØØ19 I WILL SEND THE TATNUCK TO KANAGU ON AFTERNOON OF MONDAY
21 FEBRUARY TO BRING BACK THE CREW OF THE SWALLOW UNLESS YOU
DIRECT OTHERWISE 1516

TOR IN CODE ROOM 183Ø 19 FEB

DISTRIBUTION

3Ø.....ACTION

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BUAER.....BUNAV.....

BUCON.....BUENG.....

HYDRO.....NAVAIDE.....

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DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- *Carl J. Spicer*

NAVAL MESSAGE
(NAVY DEPARTMENT)

From CINCUS	ACTION	To COMTHIRTEEN	Write ACE, after address requiring acknowledgment
Released by X-Q-S Y-S (signature)			
Date 19 FEB 1938	INFORMATION	To NAVY DEPT	
NITE to			
ROUTINE to			
PRIORITY to ALL			

ØØ19 REGARDING THE CONDITION OF THE SWALLOW, I SUGGEST THAT
INFORMATION BE GIVEN TO COAST GUARD CUTTER WHICH IS BASED AT
DUTCH HARBOR 1536

TOR IN CODE ROOM 1855 19 FEB

DISTRIBUTION

38.....ACTION

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BUAER.....BUNAV.....

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HYDRO.....NAVA IDE...

INCOMING
~~CONFIDENTIAL~~

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DECLASSIFIED
DOD DIR. 5200.9 (9/27/58)

Date- 2/10/59

Signature- *Carl S. Spicer*

NAVAL MESSAGE
(NAVY DEPARTMENT)

From CINCUS	ACTION	To COMINBATFOR	Write A.C.E. after address requiring and how long.
Released by X-G-S Y-S			
Date 19 FEB 1938	INFORMATION	To COMBATFOR	
NITE to		COMSCOFOR	
ROUTINE to		NAVDEPT	
PRIORITY to ALL		COMCRUSCOFOR	
		USS SALT LAKE CITY	
		COMTHIRTEEN	
		COMFOURTEEN	

ØØ19 IN CONNECTION WITH THE STRANDING OF THE SWALLOW AND THE TAKING OF PERSONNEL FROM KANAGA, ORGANIZE A TASK FORCE CONSISTING OF THE SALT LAKE CITY AND A MINESWEEPER, HAVE THEM FUEL TO CAPACITY AND STAND BY TO PUT TO SEA. AT A LATER TIME, THERE WILL BE FURTHER INSTRUCTIONS 1541

TOR IN CODE ROOM 1855 19 FEB

DISTRIBUTION

38.....ACTION
~~ØØA.....Ø1.....~~
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 1ØC.....13.....
 16.....19.....
 2Ø.....23.....
 BUAER.....BUNAV....
 BUCOH,.....BUENG,..
 HYDRO.....NAVAIDE...

CONFIDENTIAL

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DECLASSIFIED
 DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- Carl L. Spicer

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

February 10, 1938. 1

*file
mate
PSF: Navy*

MEMORANDUM FOR

THE CHIEF OF STAFF
THE CHIEF OF OPERATIONS

I think this will interest
you. Please read and return.

F. D. R.

*attached excerpt from
Lindbergs' letter*

Franklin D. Roosevelt Library
DECLASSIFIED

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

February 10, 1938.

MEMORANDUM FOR

THE CHIEF OF STAFF
THE CHIEF OF OPERATIONS

I think this will interest
you. Please read and return.

F. D. R.

Memo from Joe Kennedy enclosing
excerpt from a letter written
by Charles A. Lindberg.

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

14 February 1938

MEMORANDUM FOR THE PRESIDENT

I have read with much interest the paper returned
herewith.

The information contained therein is confirmatory
of our information received from other sources.

William A. Leahy -

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D. C.

February 11, 1938.

MEMORANDUM for Colonel Watson:

Herewith is a secret paper from the White House, which I found on my desk yesterday. It is unsigned and I cannot tell whether this has been sent to the Chief of Naval Operations or not. At any rate I am complying with the direction to return it to the President.

I am obliged for the opportunity to obtain information of this sort and from such a source. I have checked the information very carefully in our Intelligence Branch and it checks very closely with the information that we have except as regards the number of men employed at the Junkers and Heinkel factories. The remaining information, in view of the source of the information, is taken as definitely confirming what we have on file.

Heath Gray
Chief of Staff.

encl.

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DDO DIR. 5200.9 (9/27/58)

Date- 11-30-69

Signature- *JV Dugo*

[REDACTED]

UNITED STATES MARITIME COMMISSION

TO: MEMO TO THE PRESIDENT

FROM: Joseph P. Kennedy

This is an excerpt from a
letter written by Charles A.
Lindberg, in which I thought
you might be interested.

JPK

As you know, we have just returned from two weeks in Germany where I had a chance to see more of their aviation developments and general conditions. One cannot help being impressed with Germany regardless of the feeling he may have concerning some of the incidents which have taken place. There is a strength and vigour which it is impossible to overlook. In consequence, the Heinkel factory near Berlin,

The German aviation development is without parallel. I believe very few people realize what rapid progress has been made recently, and especially during the last year. I think Germany is probably the strongest air power in Europe. If she is not at the moment, she will be in the near future. The German facilities in the production of military aircraft are amazing and the expansion is by no means complete. I do not know how many thousand planes they can produce in a year in Germany but I believe it is many more than in any other country, not excluding the United States. The designs are excellent although, generally speaking, not yet up to our own. However, they are rapidly cutting down our margin of leadership.

I think I told you last year that I went through the Junkers and Heinkel factories and that about 20,000 men were employed in the former and about 10,000 in the latter. Both of these organizations have been expanded during the last year. I understand that a new Heinkel factory has been constructed north of Berlin.

The present policy in Germany is to build smaller factories and more of them, in order to decentralize. The country is covered with aerodromes and aircraft factories already.

The German policy is to select the best design and have it produced by various factories without regard to their ownership. In consequence, the Henschel factory near Berlin, which I visited, is producing Dornier DO-17s (a two-engined, mid-wing, all-metal bomber. The figures given me were 300 miles per hour at critical altitude of 4,000 metres and a bomb load of 2,200 lbs.)

The Henschel factory is well laid out with buildings far enough apart to avoid making a mass target, and not more than two in line. Each has its own separate power plant and bomb-proof shelter with entrances leading to the workshop.

American methods are obvious everywhere and handwork is minimized. For instance, the jigs are standardized so that they can be changed to accommodate any type of plane. They told me that they could change all of their jigs from the production of the Dornier DO-17 to the production of the Heinkel 111 within twenty-four hours.

I counted sixty of these bombers from the time the two spars are first laid down in parallel to and including the flying field. There were twenty wings and twenty fuselages in the final assembly hangar. These were moving through on tracks and made one complete round of the hangar during the process of assembly, so that as the plane left

its assembly jig the jig was back at the beginning of the line, ready for a new fuselage. I should think that the production here is between one and three per day.

To get some idea of the whole capacity of Germany, one must remember that the factory I have described is one of many and much smaller than such organizations as Junkers or Heinkel.

The three planes which impressed me most in Germany were the Heinkel 111 (their standard heavy bomber), the Dornier DO-17, and the Messersmitt 109 (their standard pursuit plane). As you know, the Messersmitt 109 is an all-metal low wing monoplane. They say it is stressed for engines up to 1500 H.P. They told me that it had a top speed of just under 600 kilometers with the latest Daimler-Benz engine. I believe this develops somewhere between 1000 to 1200 H.P. I was told that they are producing seven Messersmitt 109s per day at the present time.

I went through the Daimler-Benz factory at Berlin and found an excellent organization, well equipped with machine tools, in full production (two shifts per day).

There were about fifty engines in final assembly and sixteen test stands. I should think that one might estimate a production of seven a day without being far off. This is one of the smaller engine factories, and one of many.

The German research organizations are, in many instances, just beginning to function properly. They have also undergone an expansion programme. Their size, and the

attention they are receiving seems in keeping with the rest of the aviation programme.

I shall not make this letter longer by writing about more of what I saw in Germany. I doubt that anyone can fully realize the magnitude of their aviation programme without visiting some of the establishments they have built. I think it is doubtful that any country in Europe will be able to catch up with them during the next few years.

Please use the utmost discretion if you show this letter to anyone. The Germans said that they had no objection to my discussing what I saw with our own people. However, I would not want any of this information to be quoted in connection with my name. It is obvious that they feel very confident of their position in aviation.

I wish I could see and talk to you about various developments over here and at home. Frankly, I am very much concerned about the future on both sides of the ocean.

THE WHITE HOUSE
WASHINGTON

Hyde Park, N. Y.,
February 22, 1938.

Confidential
File
Harry

Memorandum for Admiral Leahy:

I am returning herewith the
very interesting letter and memoranda
prepared by Admiral Yarnell.

F. D. R.

(No memo attached)

PSF Navy

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON

18 February 1938

My dear Mr. President:

I am forwarding herewith a letter received this date from Admiral Yarnell together with copies of some memoranda on the Oriental situation prepared by Admiral Yarnell for Mr. McNutt.

It is believed that some of the material discussed may be of interest, and I am pleased to say that Admiral Yarnell's personal opinion as to the general features of a Pacific campaign are in very close agreement with a joint plan which General Craig and I agreed upon this morning after weeks of effort.

Most respectfully,

William D. Leahy -

The President,
The White House,

*It is requested that enclosures
be returned -*

In reply address not the signer of this letter, but Bureau of Navigation, Navy Department, Washington, D. C. Refer to No.

HH.

NAVY DEPARTMENT
BUREAU OF NAVIGATION
WASHINGTON, D. C.

26 February 1938.

Memorandum for

The President.

Subject: Naval Reserve Legislation.

After my conference regarding Naval Reserve legislation, I have rewritten the Naval Reserve Bill and have shortened it, and am submitting a rough draft of this bill for your consideration.

It differs from the original draft in the following particulars:

- (a) It has been rearranged in more logical sequence and shortened through this rearrangement and through the deletion of certain sections or parts of sections which might better be left to departmental authority, such as:
 - (1) Precedence of Reserve officers among themselves and with regular officers during peace times.
 - (2) Deletion of authority to place a number of officers on one year's active duty (Other sections of the bill permit this to be done as training duty).

file PSE Navy
Confidential

- Approved by the
Naval Discharge Board
from 1945 to 1950
for high efficiency
- (3) Requirements for annual inspections of Naval Reserve units and ships flying the Merchant Marine Naval Reserve flag (to be accomplished administratively).
 - (4) Requirement that officers of the Merchant Marine Naval Reserve shall be discharged or transferred to the Volunteer Naval Reserve three years after they cease to follow the sea. (This is to be accomplished administratively and through the provisions of other sections).
 - (5) The requirement that the Naval Reserve shall be allowed the same ranks, grades and ratings as the regular Navy, that certain officers shall be appointed by the President and others by the Secretary, and that enlistments shall be for four years. (All this to be accomplished administratively).
 - (6) The requirement that Naval Reserve officers shall be represented in the formulation of all policies, etc., and providing for a Policy Board. (This to be accomplished administratively).
 - (7) The requirement that certain ex-Navy men now in the Naval Reserve under continuous service conditions from the regular Navy, shall be

re-enlisted in the regular Navy. (This can be accomplished administratively, if desired).

(8) The requirement that for pay purposes week-end cruises shall not be regarded as drills.

(This can be accomplished administratively).

(9) The division of each of the branches of the Naval Reserve into various sub-sections.

(This can be accomplished administratively).

This redraft occupies 39 sections as compared with 57 sections of the Department draft, and approximately half the number of pages.

(b) It divides the Naval Reserve into four components as follows: (1) the Service Reserve, (2) the Special Reserve, (3) The Merchant Marine Reserve and (4) the Volunteer Reserve.

The following provisions of the Departmental Draft are among those retained in this bill.

(c) Provision is made in the Service Reserve for regular Navy men who have left the regular Navy under honorable conditions after 4, 8 or 12 years of service, with a small amount of remuneration and periodic physical examinations

(\$25.00 per year, term of service in Reserve 4 years).

- (d) Provision is made for giving members of the Naval Reserve as well as of the other branches, training duty without pay.
- (e) Provision is made for a number of officers of the Special Reserve in the grades of commander and captain, as well as similar provisions, but in fewer numbers, for the other two branches. The enactment of this provision would immediately provide for 146 of these higher ranking officers in the Volunteer Naval Reserve, and ultimately 230, not including an additional number in the other two classes.

The principal differences between this redraft of bill and existing law are summarized as follows:

- (a) A separate classification is set up for those transferred or assigned to the Naval Reserve direct from the regular Navy.
- (b) It permits assignment of men to the above special classification (Service Reserve) after not less than one complete enlistment in the regular Navy and remuneration for these men at \$25.00 per year (this feature was contained in the Act of 28 February 1925, but was later repealed. It

- (a) also permits assignment thereto of ex-regular Navy officers and enlisted men.
- (c) It changes the name of those belonging to the actively drilling components of the present Fleet Reserve to "Special Reserve".
- (d) It greatly increases the number of Reserve officers authorized to be carried in grades above that of lieutenant commander, and gives separate allowances of such officers for the Special Reserve, the Merchant Marine Reserve, and the Volunteer Reserve.
- (e) It allows one officer in the grade of rear admiral in lieu of the officer in the grade of commodore authorized by present law, and it also authorizes one officer in the Marine Corps Reserve in the grade of brigadier general.
- (f) It increases the number of appointments from the Naval Reserve to the Naval Academy from 25 to 50.
- (g) It permits the employment on active duty of officers and men of the Honorary Retired List.
- (h) It liberalizes the provisions of existing law relative to compensation of Reservists injured while performing active or training duty, so as to provide compensation for injuries received at drills.

- (i) It leaves the precedence of Naval Reserve officers among themselves, annual inspections of Naval Reserve units, and certain other features of existing law to administrative action.
- (j) It gives the Secretary of the Navy discretion as to making transfers to the Honorary Retired List on account of age in grade.
- (k) It provides retired pay at a reduced rate for those members of the Honorary Retired List who have performed certain minimum active service immediately prior to their transfer thereto.
- (l) It extends to officers of the Merchant Marine Reserve and Volunteer Reserve money allowances for the purchase of uniforms, heretofore restricted to officers of the Fleet Reserve.
- (m) It does away with the one month's retainer pay prescribed by existing law for members of the Merchant Marine Reserve, and permits drill pay in its place, depending upon departmental administration and appropriations.
- (n) It permits use of monies appropriated to the material bureaus for the part time or intermittent employment of technicians or scientists, for the active duty pay for qualified Naval Reservists placed on active duty for the performance of these duties.

I would like very much to be afforded the opportunity of discussing this matter with you, in order that I may have your exact ideas and that this bill may fulfill your thought regarding the Naval Reserve.

From the beginning of the time when I became Chief of the Bureau of Navigation I have taken a keen interest in and have worked hard with our Naval Reserve. I believe that we have a Reserve now which is efficient and which would fulfill its mission in being ready on "M" day to meet an emergency. I have eliminated a great amount of discontent among the Naval Reserve officers and men, have inspected the different organizations and have tried to bring it up to the highest possible standards.

In going over our War Plans, I believe we can with the present set-up meet an immediate emergency; but, of course, it is not large enough at the present time to fulfill all of the requirements which would be necessary in "M" plus 90 days - that is, the taking over of merchant ships and other activities incident to war.

As I mentioned several days ago, the matter of the selection system of officers of the Line of the Navy is receiving very active attention by the Congress. I am prepared to lay before you for your consideration the views

of the Navy Department regarding this matter, and I would greatly appreciate being given time to discuss these two important subjects of Naval Reserve and the Selection System with you at your convenience. These matters will be taken up by Congress, as I understand, just as soon as they have finished with the present bill having to do with the 20% increase in our Navy.

Very respectfully,

Alfred S. Hudson

PSF Navy

PROPOSED NAVAL RESERVE BILL

REDRAFT OF DEPARTMENTAL DRAFT

FEBRUARY 1938

A B I L L

To provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve.

TITLE I - DISSOLUTION OF EXISTING RESERVE,
ORGANIZATION OF NEW RESERVE AND GENERAL.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That the Naval Reserve established under the Act of February 28, 1925, is hereby abolished, and in lieu thereof there is hereby created and established as a component part of the United States Navy, a Naval Reserve which shall consist of the Service Reserve, the Special Reserve, the Merchant Marine Reserve and the Volunteer Reserve: Provided, That all men who on the date of this Act are members of the Fleet Naval Reserve as the result of sixteen or more years of active naval service, are hereby transferred to the Service^{Reserve} created by this Act, and shall receive the same pay, allowances, and benefits which they were receiving under the laws in force immediately prior to the approval of this Act, and all other members of the Fleet Naval Reserve are hereby transferred to the Special Reserve; and all officers and men who on the date of this Act are members of the Merchant Marine Naval Reserve and Volunteer Naval Reserve, including aviation cadets, are hereby transferred to the Merchant Marine Reserve and Volunteer Reserve respectively:

Provided further, That such transfers of officers and men shall be for the unexpired period of their current appointments or enlistments in the Naval Reserve and in the same grades, ranks or ratings and with the same dates of precedence held by them on the date of such transfer: And provided further, That nothing contained in this Act shall affect the status or pay of members of the Naval Reserve Force or the Naval Reserve heretofore retired with or without pay, except that members of the Honorary Retired List on the date of the approval hereof are hereby transferred to the Honorary Retired List for the Naval Reserve created by Section 309, Title III, of this Act.

Sec. 2. That the United States Marine Corps Reserve established under the Act of February 28, 1925, is hereby abolished, and in lieu thereof there is hereby created and established as a component part of the United States Marine Corps, a Marine Corps Reserve under the same provisions in all respects (except as may be necessary to adapt said provisions to the Marine Corps) as those contained in this Act or which may hereafter be enacted providing for the Naval Reserve: Provided, That the Marine Corps Reserve shall consist of the Service Reserve, the Special Reserve and the Volunteer Reserve, corresponding, as near as may be to similar classes of the Naval Reserve.

Sec. 3. That the Act of February 28, 1925, entitled

"An Act for the creation, organization, administration and maintenance of a Naval Reserve and a Marine Corps Reserve", (45 Stat. 1080), as amended by the Acts of March 4, 1925, Section 19 (43 Stat. 1276); January 19, 1929, Section 3 (45 Stat. 1090); March 2, 1929 (45 Stat. 1476); May 23, 1930, Section 2 (46 Stat. 375); June 11, 1930 (46 Stat. 556); July 3, 1930, Section 1 (46 Stat. 1016); June 30, 1932, Section 1 (47 Stat. 431, 439); February 14, 1933 (47 Stat. 801); and May 29, 1934, Section 17 (48 Stat. 813) as contained in the United States Code, Title 34, Chapter 15, is hereby repealed.

Sec. 4. That the Naval Reserve shall be composed of male citizens of the United States and of the insular possessions of the United States of seventeen years of age or over who by appointment or enlistment therein under regulations prescribed by the Secretary of the Navy or by transfer thereto as in this Act provided, obligate themselves to serve in the Navy in time of war or when in the opinion of the President a national emergency exists: *officer or man of the Naval Reserve shall be a member of any* Provided: That no other naval or military organization except the Naval Militia: Provided further, That no existing law shall be construed to prevent any member of the Naval Reserve from accepting employment in any civil branch of the public service nor from receiving the pay and allowances incident to such employment in addition to

any pay and allowances to which he may be entitled under the provisions of this Act, nor as prohibiting him from practicing his civilian profession or occupation before or in connection with any department of the Federal Government.

Sec. 5. That any member of the Naval Reserve including those on the Honorary Retired List created by Section 309, Title III, of this Act, or who may have been retired, may be ordered to active duty by the Secretary of the Navy in time of war or when in the opinion of the President a national emergency exists and may be required to perform active duty throughout the war or until the national emergency ceases to exist; but in time of peace, except as otherwise provided in this Act, ~~they~~ ^{he} shall only be ordered to or continued on active duty with their own consent: Provided, That the Secretary of the Navy may release any member from active duty either in time of war or in time of peace.

Sec. 6. That in time of peace no officer or man of the Naval Reserve shall be discharged except upon expiration of his term of service or upon his own request or for full and sufficient cause, in the discretion of such administrative authority as the Secretary of the Navy may designate: Provided, That within a reasonable time prior to discharge for cause, officers shall be given an opportunity to be heard

by the Secretary of the Navy, or such administrative authority or other agency as he may designate, which opportunity will be considered as having been given through the mailing of notice to their last known address: Provided further, That officers and enlisted men of the Naval Reserve on active duty shall be subject to separation therefrom in the same manner as may be provided by or in pursuance of law for the separation of officers and enlisted men of the regular Navy, subject to the provisions of Section 301, Title III, of this Act: And provided further, That members of the Service Reserve and officers and enlisted men who may have heretofore been transferred to the retired list of the Naval Reserve Force or the Naval Reserve or the Honorary Retired List with pay or may hereafter be so transferred, shall at all times be subject to the laws, regulations and orders for the government of the Navy and shall not be discharged therefrom prior to the expiration of their term of service, without their consent, except by sentence of a court-martial, or, in the discretion of the Secretary of the Navy, when sentenced by civil authorities to confinement in a state or federal penitentiary, as a result of a conviction for a felony.

Sec. 7. That officers and men of the Naval Reserve, including those on the Honorary Retired List or who may have been retired, when employed on active duty or on training duty, with pay, or when employed in authorized travel to or from such duty, ~~and~~ shall receive the same pay and allowances as is received by officers and men of the regular Navy of the same rank, grade or rating,

and of the same length of service which shall include service in the Navy, Marine Corps, Coast Guard, Naval Reserve Force, Naval Militia, National Naval Volunteers, Marine Corps Reserve, or Naval Reserve, and they shall when travelling under orders or under competent authority receive transportation in kind, mileage or actual expenses as provided by law for travel performed by officers and men of the regular Navy: Provided, That aviation cadets shall receive the pay, allowances and other emoluments provided for them by the Act of April 15, 1935 (Vol. 49 Statutes at Large, Page 157): Provided further, That when officers and men of the Naval Reserve perform active duty or training duty with pay for a period of less than thirty days, such duty performed on the thirty-first day of any month shall be paid for at the same rate as for other days: Provided further, That officers and enlisted men while employed on active duty or training duty, with pay, which involves the actual flying in aircraft in accordance with regulations prescribed by the Secretary of the Navy, shall receive the same increase of the pay of their grades, ranks or ratings, as may be received by officers and enlisted men in similar grades, ranks and ratings in the regular Navy for the performance of similar duty.

Sec. 8. That appropriations made to the various bureaus and offices of the Navy Department for part time or intermittent employment of scientists, technicians and other personnel in connection with the work of such bureau and offices, shall be available for the active duty pay and allowances of such members of the Naval Reserve as, in the discretion of the Secretary of the Navy, may

b e placed on temporary active duty for the purpose of prosecuting such work.

Sec. 9. That the Secretary of the Navy shall prescribe all necessary and proper regulations, not inconsistent with the provisions of this Act, for the recruiting, organization, government, administration, training, inspection, and mobilization of the Naval Reserve, and shall detail such officers and enlisted men of the regular Navy and the Naval Reserve, and shall make available such vessels, material, armament, equipment and other facilities of the regular Navy as he may deem necessary and advisable for the development of the Naval Reserve in accordance with the provisions of this Act: Provided further, That all officers and employees of the United States or of the District of Columbia who are members of the Naval Reserve and assigned to any class thereof shall be entitled to leave of absence from their respective duties without loss of pay, time, or efficiency rating, on all days during which they may be employed with or without pay under the orders or authorization of competent authority, on training duty for periods not to exceed fifteen days in any one calendar year.

Sec. 10. That it is the purpose and intent of this Act that the United States Naval Reserve and the United States Marine Corps Reserve shall be administered with the definite objective of reaching the maximum numerical strength of trained and qualified officers and enlisted men in the several classes, as may be determined by the Secretary of the Navy, within a period of not more than ten years

and, as nearly as may be possible, by equal annual increments.

Sec. 11. That the necessary funds are hereby authorized to be appropriated annually, to be paid out of any money in the Treasury not otherwise appropriated, for the support of the Naval Reserve, including all expenses pertaining thereto as authorized by law.

TITLE II - SERVICE RESERVE

Sec. 201. That the Service Reserve shall be composed of officers assigned thereto as herein provided and of enlisted men transferred or assigned thereto in accordance with the provisions of this Act: Provided, That subject to their own consent, ex-officers and ex-enlisted men of the regular Navy who have been honorably discharged therefrom after not less than four years service therein, may, in the discretion of the Secretary of the Navy, be assigned to the Service Reserve created by this Act.

Sec. 202. That for all purposes of this Act a complete enlistment during minority shall be counted as four years' service and any enlistment terminated within three months prior to the expiration of the term of such enlistment shall be counted as the full term of service for which enlisted: Provided, That all transfers of enlisted men to the Fleet Naval Reserve or to the Service Reserve, and all transfers of members of the Fleet Naval Reserve or the Service Reserve to the retired list of the regular Navy, hereafter or heretofore made by the Navy Department, shall be conclusive for all purposes, and all men so transferred shall, from the date of transfer, be entitled to pay and allowance in

Spencer

accordance with their ranks or ratings and length of service as determined by the Navy Department: Provided further, That the Secretary of the Navy, upon discovery of any error or omission in the service, rank or rating for transfer or retirement, is authorized to correct the same and upon such correction the man so transferred or retired shall be entitled to pay and allowances as determined by the Navy Department.

Sec. 203. That men serving in the regular Navy, who, having enlisted therein on July 1, 1925, or prior thereto, or who having been discharged therefrom prior to July 1, 1925, and reenlisted in the regular Navy within three months from the date of discharge, or who were serving in the Naval Reserve Force on July 1, 1925, in an enrollment entered into within four months from the date of their discharge from the regular Navy and thereafter reenlisted in the regular Navy within three months from the date of their discharge from the Naval Reserve created by the Act of February 28, 1925, shall be entitled to be transferred to the Service Reserve on the completion of sixteen or more years' naval service, and when so transferred shall, except when on active duty, be entitled to receive, if they have had sixteen but less than twenty years' naval service, pay at the rate of one-third the base pay they were receiving at the time of transfer, plus all permanent additions thereto, and if they have had twenty or more years' naval service, pay at the rate of one-half of the base pay they were receiving at the time of transfer, plus all permanent additions thereto: Provided, That the pay authorized in this section shall be increased 10 per centum for

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all men who may be credited with extraordinary heroism in the line of duty or whose average marks in conduct for twenty or more years shall not be less than 95 per centum of the maximum: Provided further, That the determination of the Secretary of the Navy as to the definition of extraordinary heroism shall be final and conclusive for all purposes: And provided further, That enlisted men so transferred to the Service Reserve, herein created, by this section and by section 1 of this Act, shall upon completing thirty years' service, be transferred to the retired list of the regular Navy with the pay they were then legally entitled to receive, plus the allowances to which enlisted men of the regular Navy are entitled on retirement after thirty years' service.

Sec. 204. That men serving in the regular Navy who first enlisted therein after July 1, 1925, or who reenlisted therein after July 1, 1925, having been out of the regular Navy for more than three months and who were not serving in the regular Navy on July 1, 1925, and men who first enlisted in the regular Navy after the passage of this Act, may be transferred to the Service Reserve upon the completion of at least twenty years' naval service and provided they are then found physically and otherwise qualified to perform duty in time of war and apply for such transfer, and thereafter except when on active duty shall be paid at the rate of one-half of the base pay they are receiving at the time of transfer: Provided, That all such enlisted men so transferred to the Fleet Naval Reserve, or to the Service Reserve created by this Act shall upon completion of thirty years' service, be transferred to the retired list of the regular Navy

Should
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with the pay they were then legally entitled to receive plus all permanent additions thereto, and the allowances to which enlisted men of the regular Navy are entitled on retirement after thirty years' service.

New
Sec. 205. That the Secretary of the Navy, under such regulations as he may prescribe, may require any person hereafter when enlisting in the regular Navy and may authorize any enlisted man in such service to obligate himself to serve four years in the Service Reserve upon termination of his enlistment in the regular Navy; Provided, That upon termination of their enlistment in the regular Navy, men who have so obligated themselves shall be assigned to the Service Reserve for the four-year period, unless they apply for reenlistment or extension of their enlistment in the regular Navy, in which event they may be reenlisted or may extend their enlistment in the regular Navy: Provided further, That, except as otherwise provided for in this Act, the men so assigned to the Service Reserve for the four-year period, and officers and men assigned thereto under the provisions of section 201 of this Title shall not, in time of peace, be ordered to active duty, except with their own consent, and shall be under no obligation to perform training duty or drill during that period, but shall be paid in advance \$25 per annum. Enlisted
X
men of the regular Navy assigned to the Service Reserve in accordance with the provisions of this section, or enlisted men who within three months from date of discharge from the regular Navy upon completion of an enlistment, enlist in the Service Reserve,

X may, while so in the Service Reserve, be permitted to reenlist in the regular Navy, in which case they shall be entitled to the same benefits as if they had enlisted in the regular Navy within three months of their last discharge therefrom.

Sec. 206. That in time of peace all enlisted men transferred to the Service Reserve may be required to perform not more than two months' active duty in each four-year period and shall be examined physically at least once during each four-year period: Provided, That any pay which may be due any member of the Service Reserve shall be forfeited when so ordered by the Secretary of the Navy, upon failure, under such conditions as may be prescribed by the Secretary of the Navy, of such member to report for inspection: Provided further, That members of the Service Reserve, exclusive of assigned members thereof, found not physically qualified upon such examination, shall be transferred to the retired list of the regular Navy, with the pay they are then receiving, and upon the completion of thirty years' service, they shall receive the following additions: That all men coming under the cognizance of Sections 1 and 203 of this Act shall receive the allowances to which enlisted men of the regular Navy are entitled on retirement after thirty years' service: Provided further, That all men coming under the cognizance of section 204 of this Title shall receive all permanent additions to their base pay, and the allowances to which enlisted men of the regular Navy are entitled on retirement after thirty years' service: And provided further, That in the computation of service requisite for transfer to the retired list of the

regular Navy, service in the Army, Navy, Marine Corps, Coast Guard, Naval Reserve Force, Fleet Naval Reserve, Service Reserve, Marine Corps Reserve of the Marine Corps and on the retired list of the regular Navy shall be included: Provided, That such service as may heretofore have been authorized by law to be counted as double time shall be credited as double time in this computation.

TITLE III

PROVISIONS APPLICABLE ONLY TO THE SPECIAL RESERVE, MERCHANT MARINE RESERVE AND VOLUNTEER RESERVE.

Sec. 301. That officers and enlisted men of the Naval Reserve, when employed on active duty, authorized training duty, with or without pay, drill, or other equivalent instruction or duty, or when employed in authorized travel to or from such duty, drill or instruction, or during such time as they may by law be required to perform active duty, or while wearing a uniform prescribed for the Naval Reserve, shall be subject to the laws, regulations, and orders for the government of the Navy: Provided, That disciplinary action for an offense committed while subject to the laws, regulations and orders for the government of the Navy, shall not be barred by reason of release from duty status of an officer or enlisted man charged with the commission thereof: Provided further, That for the purpose of carrying the provisions of this section into effect, officers and ^{men} ~~may~~ may be retained on or returned to a duty status without their own consent but not for a longer period of time than may be required for disciplinary action.

Sec. 302. That in time of peace, upon first reporting for active or training duty, after enactment hereof, at a location where uniforms are required to be worn, or after the performance of 1¼ drills, a commissioned or warrant officer of the Naval Reserve shall be paid a sum of \$100.00 as reimbursement for the purchase of the required uniforms, and thereafter he shall be paid an additional sum of \$50.00 for the same purpose upon the completion of each period of four or more years in the Naval Reserve: Provided, That this latter amount of \$50.00 shall not become due any officers until he has completed not less than 150 drills or periods of other equivalent instruction or duty or appropriate duties and 56 days' active or training duty, or 75 drills and 8¼ days' active or training duty, or 112 days' active or training duty: Provided further, That any officer who has heretofore received a uniform gratuity shall not be entitled to either of the above-mentioned sums until the expiration of four years from the date of the receipt of such gratuity: Provided further, That uniforms for aviation cadets shall be provided as heretofore authorized by law: And provided further, That in time of war or national emergency a further sum of \$150. for the purchase of required uniforms shall be paid to officers of the Naval Reserve **when** they first report for active duty.

Sec. 303. That in time of peace midshipmen, merchant marine

cadets and enlisted men of the Naval Reserve may be issued articles of uniform, bedding, and equipment in accordance with regulations to be prescribed by the Secretary of the Navy: Provided, that upon first reporting for active duty in time of war or national emergency enlisted men of the Naval Reserve may receive in addition a uniform outfit of the same value as may be authorized for enlisted personnel of the regular Navy upon first enlistment.

Sec. 304. That, if in time of peace any officer or enlisted man of the ^{Naval}~~Civilian~~ Reserve, physically injured in the line of duty while performing active, military or naval service, or who dies as the result of such physical injury, he or his beneficiaries shall be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in the line of duty or who die as a result thereof, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so disabled: Provided, That where a person who is eligible for the benefits prescribed by this section is also eligible for pension under the provisions of the Act of June 23, 1937, entitled "An Act to amend the provisions of the pension laws for peace time service to include Reserve officers and members of the

enlisted Reserves" (Pub. No. 159, 75th Congress, Chapter 376, First Session, H.R. 2887), he shall elect which benefit he shall receive, and for the purposes of this section and of said Act all members of the Naval Reserve will be considered as performing active, military or naval service while performing active duty with or without pay, training duty with or without pay, drills, equivalent instruction ~~or~~ duty, appropriate duty, or other prescribed duty, or while performing travel to or from such duties, irrespective of authorization for such travel: Provided further, That for the purpose of determining the benefits to which entitled under the provisions of this section Naval Reservists so physically injured while performing the foregoing duties in a non-pay status will be held and considered as receiving the pay and allowances they would have received if in a pay status: Provided further, That Naval Reservists who contract sickness or disease as a result of the performance of active duty or training duty with or without pay shall be entitled to the same hospitalization or other treatment during the continuances of such sickness or disease as is accorded members of the regular Navy: And provided further, That in time of war officers of the Naval Reserve who contract sickness, injury or disease, while performing active duty shall be entitled to all the benefits prescribed for officers of the regular Navy under similar conditions.

Sec. 305. That, except as provided in Section 306 here-
of, in time of peace, commissioned officers appointed to the
Naval Reserve shall be commissioned to serve during the
pleasure of the President, in grades or ranks not above that
of lieutenant commander, except that a small percentage of
officers in the higher grades or ranks, may, if qualified, be
commissioned in the grades or ranks of rear admiral, captain
and commander. Warrant officers, aviation and merchant marine
cadets and midshipmen shall be appointed to serve during the
pleasure of the Secretary of the Navy. Except as otherwise
provided in this Act, the total number of officers in such
higher grades or ranks in the Special Reserve ~~of the Naval~~
~~Reserve~~ shall not exceed one-half of one per centum of the
actual number of enlisted men regularly assigned to the divi-
sions or other units of the Special Reserve ~~of the Naval Re-~~
~~serve~~ and entitled to pay as provided in section 313 of this
Title. In the Special Reserve of the Marine Corps ~~Reserve~~
the total number of officers in such corresponding higher
grades and ranks shall be in the same proportion to the total
number of officers of said Reserve of the Marine Corps ~~Reserve~~
as the number of officers in such higher grades and ranks in
the United States Marine Corps bears to the total number of
officers in the U. S. Marine Corps. In the Merchant Marine *and the*
Volunteer ~~Naval~~ Reserves and the Volunteer Marine Corps Reserve,
the total number of officers in such higher grades or ranks shall

not exceed two per centum of the actual number of commissioned officers in each of these Reserves.

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Sec. 306. That in time of peace there shall be allowed in the Naval Reserve one officer of the grade or rank of rear admiral, and one officer in the grade or rank of brigadier general in the Marine Corps Reserve, the remaining officers above the grade or rank of lieutenant commander shall be distributed in the grades or ranks of captain and commander in such manner as the Secretary of the Navy may prescribe. Whenever a final fraction occurs in computing the authorized number of officers in these said higher grades or ranks, the nearest whole number shall be regarded as the authorized number:

Provided, That to determine the authorized number of officers in the grades or ranks above lieutenant commander as provided in this Title, computations shall, under such regulations as the Secretary of the Navy may prescribe, be made at least once during each calendar year and the resulting numbers as so computed shall be held and considered for all purposes as the authorized number of officers in such higher grades or ranks, and shall not be varied between the dates of such computations:

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Provided further, That no officer of the Special ~~Reserve~~ or the Volunteer Reserve ~~of the Naval Reserve~~ shall be appointed or promoted to the grade or rank of rear admiral, captain or commander until he has served not less than two years in the

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next lower grade: And provided further, That no officer shall be reduced in rank as a result of any computation so made and that nothing contained in this Act shall be construed as reducing the present grade, rank or rating of any officer ~~of~~^{or} man in the Naval Reserve, or as otherwise affecting the commissions now held by them or as restricting the promotion of officers in the Naval Reserve in time of war as provided for in section 312 of this Title.

Sec. 307. That hereafter the Secretary of the Navy is authorized to appoint midshipmen to the Naval Academy from enlisted men of the Naval Reserve and Marine Corps Reserve under similar conditions so far as applicable as prescribed by law for appointments from enlisted men of the Navy: Provided, That not more than 50 midshipmen shall be appointed in any one year under the authority contained in this section except that in the event the quota of midshipmen from the enlisted men of the regular Navy is not filled in any one year, the Secretary of the Navy shall have the authority to fill such vacancies with additional men from the Naval Reserve.

Sec. 308. That all officers of the Naval Reserve ~~and the Marine Corps Reserve~~ shall be examined physically once every four years, or oftener, as may be deemed necessary, and if upon such examination they are found not physically qualified for active service they shall be honorably discharged or, within the discretion of such administrative authority as the Secretary of the Navy may designate, placed on the honorary retired list provided for in section 309 of this Title: Provided, That in determining an officer's qualifications for active service, due consideration shall be given to the character of the duty to be assigned him in the event of war or national emergency and, in the discretion of the Secretary of the Navy, to his age in grade. The Secretary of the Navy may, in his discretion, discharge or place an officer of the Naval Reserve on the honorary retired list on account of age in grade, when such officer has attained the age of forty years if in the grade of ensign or lieutenant, junior grade, forty-six years if in the grade of lieutenant, Fifty-two years if in the grade of lieutenant commander, or fifty-eight years if in the grade of commander.

Sec. 309. That an honorary retired list for the Naval Reserve is hereby established and officers and enlisted men of the Naval Reserve shall be placed on this retired list of the Naval Reserve without pay or allowances, upon reaching the age of sixty-four years, or upon their own request, after thirty years' service in the Naval Reserve, except as otherwise provided in this Act: Provided, That

service in the Army, Navy, Marine Corps, Naval Reserve Force, National Naval Volunteers, Naval Reserve, Naval Militia prior to August 29, 1916, Naval Auxiliary Service and Coast Guard, Marine Corps Reserve Force and Marine Corps Reserve shall be counted as service in the Naval Reserve under the provisions of this section: Provided further, That Naval Reservists who have been specially commended for their performance of duty in actual combat with the enemy during the World War, by the head of the executive department under whose jurisdiction such duty was performed, shall, when placed upon the honorary retired list, be advanced to the next higher grade.

Sec. 310. That officers and men of the Honorary Retired List created by Section 309 of this Title, who have performed a total of not less than thirty years' active service in the Army, Navy, Marine Corps, Naval Reserve, Naval Reserve Force, National Naval Volunteers, Naval Militia in Federal Status, Naval Auxiliary Service, Coast Guard, Marine Corps Reserve Force and Marine Corps Reserve, or who have had not less than twenty years' such active service, the last ten years of which shall have been performed during the eleven years immediately preceding their transfer to the Honorary Retired List of the Naval Reserve created by Section 309 of this Title or to the Honorary Retired List in existence on the date of approval of this Act, shall, except while on active duty, be entitled to pay at the rate of 50 per centum of their active duty rate of pay as prescribed in section ⁷ A, Title I,

of this Act: Provided, That the pay of members of the Honorary Retired List prescribed by this section shall be paid from the appropriations as authorized in section ~~14~~¹¹, Title I, of this Act.

X Sec. 311. That, in time of peace, officers of the Naval Reserve shall take precedence according to such regulations as the Secretary of the Navy may prescribe: Provided, That when mobilized with the regular Navy for war or a national emergency, each officer of the Naval Reserve shall take precedence next after that officer of the regular Navy of the same rank or grade whose length of service in such rank or grade on the date of such mobilization is one-half or the nearest one-half of that of the Reserve officer.

Sec. 312. That in time of war or national emergency, officers of the active list of the Naval Reserve or the Marine Corps Reserve employed on active duty shall be advanced in their respective corps in grade and rank in the same manner as is or may be prescribed for officers of the regular Navy or the Marine Corps, respectively, in such numbers for each grade or rank, as may be prescribed from time to time by the Secretary of the Navy, and when so advanced they shall take precedence among themselves and with other officers of the Navy and Marine Corps, in accordance with date of such advancement or promotion: Provided, That no officer of the Naval Reserve or the Marine Corps Reserve shall be advanced to a higher rank until he has qualified therefor by such mental, moral, professional, and physical examinations as the Secretary of

the Navy may prescribe: Provided further, That all officers of the Naval Reserve and the Marine Corps Reserve who may be advanced to a higher grade or rank under the provisions of this Title shall be allowed the pay and allowances of the higher grade or rank from the dates of rank stated in their commissions: Provided further, That the provisions of this section shall not apply to officers who have been or may hereafter be retired from the Naval or Marine Corps Reserve Force or the Naval or Marine Corps Reserve.

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Sec. 313. That officers and enlisted men of the Naval Reserve shall receive compensation at the rate of one-thirtieth of the monthly base pay of their grades, ranks or ratings, not to exceed \$10.00, for attending, under competent orders, each regular drill duly prescribed under the authority of the Secretary of the Navy for the organization to which attached, or for the performance of an equal amount of such other equivalent instruction or duty, or appropriate duties, as may be prescribed by the Secretary of the Navy: Provided, That no such officer or enlisted man shall receive pay for more than 60 drills or periods of other equivalent instruction or duty or appropriate duties in any one fiscal year: Provided further, That for those performing ^{aerial}~~serial~~ flights duly prescribed as a part of their training, the pay and the pay limits prescribed by this section, shall be increased by 50 per cent^{um} for any quarter during which not less than four hours of such flying has been performed.

Sec. 314. That, in addition to the pay to which they may

otherwise become entitled, such officers of the Naval Reserve as may be designated by the Secretary of the Navy, regularly assigned to and commanding organizations prescribed by the Secretary of the Navy, and having administrative duties, shall receive compensation at the rate of \$240.00 per year for the faithful performance of the administrative duties connected therewith. Pay under the provisions of this section or the preceding section shall not accrue to any officer or enlisted man during a period when he shall be lawfully entitled to pay for active duty or training duty.

SPECIAL RESERVE

Sec. 315. The Special Reserve ~~of the Naval Reserve~~ shall consist of organizations of officers and men available for immediate mobilization.

Sec. 316. That in time of peace, except as herein otherwise provided, officers and enlisted men of the Special Class ~~of the Naval Reserve~~ shall be required to perform such training duty, not to exceed fifteen days annually, as may be prescribed by the Secretary of the Navy, unless excused therefrom for good and sufficient reasons by direction of the Secretary of the Navy: Provided, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Navy: Provided further, That when authorized training or other duty without pay is performed by officers or men of the Naval Reserve they may in the discretion of the Secretary of the Navy, be furnished with transportation to and from such duty, with subsistence and transfers enroute, and, during the performance of such duty, be furnished subsistence in kind or commutation thereof at a rate to be fixed from time to time by the Secretary of the

Navy.

MERCHANT MARINE RESERVE

Sec. 317. That the Merchant Marine Reserve ~~of the Naval Reserve~~ shall be composed of those members of the Naval Reserve who follow, or who have within three years followed the sea as a profession, or who are employed in connection with the seafaring profession, or men who are desirable for training for service on board public vessels of the United States, or such other seagoing vessels documented under the laws of the United States as may be approved by the Secretary of the Navy.

Sec. 318. That in time of peace, except as herein otherwise provided, members of organized units of the Merchant Marine Reserve may be required, and other members of this Reserve may be authorized, to perform the same training duty as is prescribed for the Special Reserve.

Sec. 319. That the Secretary of the Navy shall prescribe a suitable flag or pennant which may be flown as an emblem of the Merchant Marine Naval Reserve on seagoing merchant vessels documented under the laws of the United States under such regulations as he may prescribe: Provided, That such vessel be first designated by the Secretary of the Navy as suitable for service as a naval auxiliary in time of war: Provided further, That the Master or Commanding Officer and not less

than fifty per centum of the other licensed officers are
members of the ^{Navy or the Naval Reserve} ~~Naval Establishment~~. And provided further,
That such flag or pennant shall not be flown in lieu of the
national ensign.

VOLUNTEER RESERVE

Sec. 320. That all commissioned officers, midshipmen,
warrant officers, aviation ^{or Merchant Marine} cadets, or enlisted members of
the Naval Reserve not assigned to the ^{Special or Merchant Marine Reserve} ~~Fleet Class or the~~
~~Merchant Marine Class~~ thereof, shall be assigned to the
Volunteer ^{Reserve} ~~Class~~.

Sec. 321. That in time of peace, except as herein other-
wise provided, members of organized units of the Volunteer
Reserve ~~Naval~~ may be required and other members of this Reserve
~~may~~ be authorized to perform the same training duty as ^{is} prescribed
for the Special Reserve.

Title IV - NAVAL MILITIA

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Sec. ~~325~~. That of the organized militia, as provided
by law, such part as may be duly prescribed in any State,
Territory, or the District of Columbia, shall constitute a
Naval Militia. Any officer or enlisted man of such Naval
Militia may, in the discretion of the Secretary of the Navy,
be appointed or enlisted in the Naval Reserve and assigned
to the Special Reserve ~~thereof~~ in the grade, rank or rating
not above the rank of lieutenant for which he may be qualified

in accordance with such regulations as may be prescribed by the Secretary of the Navy: Provided, That each officer and enlisted man of the Naval Militia appointed or enlisted in the Naval Reserve and assigned to the Special Reserve ~~thereof~~ shall be required within one year after the date of his appointment or enlistment in the Naval Reserve to qualify, in accordance with the regulations governing the Special Reserve ~~of the Naval Reserve~~, for the rank or rating which he holds therein: Provided further, That officers and men of the Naval Reserve who are members of the Naval Militia of any State, Territory, or the District of Columbia, shall stand relieved from all service or duty in said Naval Militia when on active duty in time of war or national emergency, or when ordered to such duty: And provided further, That such vessels, material, armament, equipment, and other facilities of the Navy as are or may be made available for the Naval Reserve shall also be available in accordance with regulations prescribed by the Secretary of the Navy for issue or loan to the several States, Territories, or the District of Columbia, for the use of the Naval Militia; but no such facilities of the Navy shall be furnished for use by any portion or unit of the Naval Militia unless at least ninety-five per centum of its personnel belongs to the Naval Reserve and is attached to or associated with an organization

of the Special Reserve and unless its organization, administration and training conforms to the standards prescribed by the Secretary of the Navy for such units.