

send troops to the occupied zone for the purpose of maintaining order.

60 Nazi troop trains carrying heavy military equipment and tanks reported transited Alsace during end of the past week for the purpose of restoring "order" in the French occupied zone. This report is being checked by Harrison.

Francé reported still collaborating with Germany in spite of feeling expressed by General Bergaret,

Under Secretary for Air, that he is now convinced the Reich will loose the war. The new cooperation increases France's production of aviation equipment on a basis of 20% for France and 80% for Germany.

Unrest reportedly increasing in French West Africa because of France's defeat and the fear of famine. Wesson "half suspects" that the Free French and the British are adroitly taking advantage of the widespread restlessness.

Ecuadorian Government has cancelled contract with Seda airline effective 7 September. Government plans operation with own personnel. Line accused of being subsidiary of Lufthansa with 70% personnel being German. (The Quito press reports the routes

will be operated by Pan-American Grace Airways.)

Current disposition of Japanese forces as estimated in London is:

<u>Number of Divisions</u> ^x	<u>Location</u>
2	Korea
2	Sakhalin
2	S. China (Canton Area)
3	N. China
10	Central China
2	French Indo-China, S.
2	Hainan
3	Formosa
21	Manchukuo

x 15,000 to 20,000 men in a division.

It is thought that no increase has been made to the two divisions originally dispatched into Indo-China, leaving a total force there of about 50,000 troops.

"Alien Questionnaires" must be filled out and submitted to the Secretary of the Navy for a searching and thorough investigation in the employment of aliens on Navy classified and aeronautical contracts. Naval inspectors will where appropriate bring the matter to the attention of contractors and sub-contractors. All aliens not previously registered must execute an "Alien Questionnaire" by 1 October, it is reported.

The immediate necessity for conservation of manila fiber and cordage has been called to the attention of interest-

ed Bureau. It is expected that Manila fiber will be placed under mandatory priorities in the very near future, it is reported.

Alaska Steamship Company approached by Antorg and Maritime Commission to act as agents for cargo to be shipped to Alaska in U.S. vessels and picked up there by Russian ships in a proposed Siberia shuttle-service, it is reported.

Torpedo production is increasing, the Bureau of Ordnance reports. Procurement of machined parts from outside contractors is progressing rapidly, and contracts with over 200 contractors are already in force. Parts received from these sources will permit a material increase in production at both Newport and Alexandria. Additional assembly capacity is being developed at both stations to care for such parts. The American Can Company has agreed to erect a plant in Chicago for production of complete torpedoes at the rate of 35 per week; arrangements for the establishment of this plant are being made.

Chairman Walsh of the Senate Naval Affairs Committee disclosed to the Press today that he plans to ask the Navy Department's opinion on suggestions that a new Naval Academy be built in the Middle West or on the Pacific Coast.

~~Confidential~~

L E T T E R
2 September, 1941

Total Enlisted Strength, 31 August 261,389

Fleet Reservists (Enlisted) on Active Duty 2,494
Other Reservists " " " " 34,935
Retired Men " " " " 1,270

Total 46,399

Aggregate Enlistments (Last 24 hours) 227
Aggregate Discharges " " " " 56

Gain 171

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of 31 August.

Character of Duty	Ashore	Afloat	Temp.		Total
			Ashore	or Afloat	
<u>Line Officers</u>					
Organized Reserve	61	291	-	-	352
V-G Officers	2354	3300	11	-	5665
DE-V(S), DE-V(S) & E-V(S)	1749	205	2	-	1956
DE-F Officers	2	-	-	-	2
Communication Officers	581	139	2	-	722
I-V(S) Officers	1032	6	4	-	1042
O-V(S) Officers	475	-	1	-	476
L-V(S) Officers	37	-	-	-	37
Probationary Officers	37	39	78	-	154
Merchant Marine	113	838	26	-	977
<u>Staff Officers</u>					
CHC-V(S) Officers	623	-	-	-	623
Sup. Corps Officers	1143	182	19	-	1344
W.C. & D.C. Officers	1449	163	4	-	1616
CC-V Officers	21	1	4	-	26
CHC-V Officers	63	5	-	-	68
Aviation Officers	1151	8	-	-	1159
Retired Officers	38	2	-	-	40
	10996	5179	151	-	16326

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BULLETIN
2 September, 1941

Secretary Knox has requested the United States Maritime Commission arrange to make installations, on vessels belonging to the Commission and to private owners as the vessels become available, of (a) de-gaussing; (b) splinter protection; (c) gun foundations and deck strengthening; (d) ammunition stowage and handling facilities; (e) sky lookout stations; (f) protection of sea chests; (g) radio equipment and (h) berthing and messing. This supplements a previous arrangement covering items considered essential for defense purposes and establishes a schedule of installation.

Recently the placing of unauthorized material in the packing cases of Defense Aid materials with intent of sabotage has been reported to the Navy. Adequate arrangements to provide continuous responsible supervision of the packing of all materials in all Navy Supply Departments ashore has been directed. Proper safeguards will apply to materials for United States Naval use, as well as Defense Aid shipments.

2. The question of the appointment of a Flag officer to represent the Navy on Mr. Harriman's commission was brought up in a conference in the office of the Chief of Naval Operations on 29 August. Bureau of Aeronautics has submitted recommendations as to the Navy's representation on this board, Captain D.G. Hansey, Acting Chief, reports. A meeting has been arranged between Air Marshall Hill, Major General Arnold (Army Air Corps) and Rear Admiral Towers (Bureau of Aeronautics) to be held early this week to discuss the possibilities of our adoption and use of a new British bombight.

Bureau of Aeronautics is investigating the possibility of increasing, at the earliest possible moment, the strength of Fighter aircraft in the Hawaiian area.

The Navy is organizing a new division to assist in the effort of OPM to push sub-contracting and spread work. The Navy has been organized for this work for many months with every Naval activity in continental United States effectively contacting the 36 Defense Contract Offices of OPM. In addition a special Navy unit has been in operation in the OPM Chicago Office aiding and assisting the nine Defense Contract Offices located in the Ninth Naval

District. Now, however, the effort will be greatly amplified.

8 Strike Cases involving Naval Defense contracts, including Kearny, were settled last week. 17 cases in which the Navy is interested are still open and 8 strikes are pending in which the Navy may be affected, it is reported.

The British have requested permission for approximately 1,000 Australian and New Zealand air trainees enroute to Canada for instructions to go ashore at Pago, Samoa. The Maritime Commission discussion of censorship and control of United States merchant movements resulted in postponement, subject to further report from the Interdepartmental Communications Committee, it is reported.

"Fast work" reported on Brooklyn Navy Yard 16 story storage and office unit. The structure containing 21 acres of space went up at rate of floor every three days, it is reported.

Limited facilities for Fleet Supply are to be established at Portland, Maine, in the near future. The activity will be known as Navy Supply Pier, Casco Bay, Portland, Maine.

4.

The AINNE (French Steamship 3,654 tons) unloaded at Dakar 27 August a cargo which included army and navy equipment, 12 airplane motors (containing Whitney and Pratt as well as other models) and several crates of Glenn Martins. The CEYSSON (French Steamship 2,509 tons) has just completed discharging at Dakar an appreciable quantity of military equipment and building materials.

German military commanders reported loathe to take over areas of Russia in which dangerous epidemics are reported to be raging. Heavy depopulation of these areas may result unless Germans check dislocations.

German Surface Raider reported between Trinidad and Africa. Georgetown Officials are taking such action as they can, considering their limited means of defense, to guard against attack.

Japanese troops continue to depart from Shanghai, (China) it is reported. Each week "several thousand depart". The destination of the majority of 2 divisions leaving since 20 July has been South. Japanese civilians are apprehensive, alarmed and in dread of war, Grew reports. Further bolstering of public opinion believed necessary.

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BULLETIN
29 August, 1961

Operations at Kearny "good on the whole". The workmen's morale is "excellent". It is not sure yet whether Mr. Korndorff's cooperation will be 100%. It is essential that there be one boss. This has come to an issue and it is not known whether it is settled. Present arrangements include separate quarters on the Company's property for Mr. Korndorff, the company's controller and four or five employees needed for necessary accounting and other work. These men are on the Company's payroll. All others are on the Navy payroll. A morale problem exists among the white collar workers who feel uncertain about the security of their positions. Alternative methods of operation, including the establishment of a government corporation are being explored it is reported.

The hull for the first of the K-type airships for coast patrol has rolled off the assembly line on schedule it is reported.

In order to reduce the number of proposed new plants and plant expansions to the minimum compatible with

necessary procurement, Bureaus concerned have been instructed to make every effort to determine whether or not the proposed plant or plant expansion can be obviated or decreased by the use of suitable facilities already existing or by means of intensive subcontracting. Copies of the "Rios report" have been made available to the Bureau of Aeronautics and are under study with a view to making improvements in the existing organization. Many of the constructive measures suggested by the survey agency have already been effected, it is reported.

The Secretary of the Navy has enjoined all Bureau Chiefs to exercise particular care to protect Confidential and Secret information. It appears recently a civilian contractor to Navy has sent in regular mail highly confidential information, dissemination of which would have been inimical to the national interests, it is reported.

Instructions have been issued to all Bureaus to clear with the Department Equipment Officer on all disposals of equipment in order to determine if this material could be used elsewhere in the Navy.

There are now 750 regular, retired and Reserve Civil Engineer Corps officers on active duty or ordered to active duty.

British have agreed to give United States Navy jurisdiction in a murder of a colored man in Antigua, British West Indies, if we will agree he will be tried for murder. Since the Marine does not belong to a public vessel there is some question if the case can be tried before a Navy Court Martial. In this event, he would have to be tried in the United States District Court with all witnesses being present. This is typical of problems confronted in non-occupied bases, the Judge Advocate General's Office reports.

Officers and Crews of "Free French" warships will be accorded the same privileges as are accorded to the British, it is reported.

Difficulty has been experienced in obtaining qualified Naval personnel for Photo Interpretation Duty, it is reported.

SE TROBERT has sailed from Los Angeles for Manila with 105 American citizens, including 36 aviators for duty along the Burma Road, it is reported.

Germany has reported preference for reports of sailings of refrigerating ships in a recent short wave radio message from Germany to South America, it is reported.

German Admiral Schuster has issued orders through the Balkan press forbidding navigation at night in the Aegean, it is reported.

Germany will not ask Turkey outright to grant passage to the German army it is reported. Neither will Turkey be asked to declare herself in favor of German policies. More and more positive assurance of a "tolerant neutrality" will, however, be asked and their degree and form will be measured by the proportion and success of German arms. This type of pressure is expected to reach its maximum when and if Germany succeeds in occupying the Caucasian area and all of the Russian Black Sea Coast line.

Following Japanese Naval Units were observed 21 August at Anoy (China) and vicinity: 14 destroyers, 2 light cruisers, 1 heavy cruiser, 6 submarines, 3 transports and 20 smaller vessels. One or two carriers are reported operating in the same area.

Tokyo starts anti-air raid drills, with the accent on defense against incendiary bombs it is reported.

~~Confidential~~

B U L L E T I N

28 August, 1941

Germany has suddenly renewed diplomatic pressure on Turkey; is reported massing troops in Bulgaria and Italo-German activity in Aegean islands off the Turkish coast is reported.

Germany may take "protective action" in Turkey, Earle reports.

Germany reported to have sufficient control of the air in the Russian Campaign to give them an advantage of the "larger view" obtainable through air observation.

Germany has offered goods to meet French North Africa needs in return for North African products; principally minerals, in their "anxiety" over the moral effect of the American program in supplying North Africa, Leahy reports.

France's unwillingness to collaborate by furnishing facilities to the Germans in Africa has caused negotiations to fail on reduction of occupation costs and release of prisoners, Leahy reports.

Disaffection in Balkan Areas reported much greater than

previously described; Italians increasing troops there. Italians have attempted in vain to enforce edict that no more than two Greeks can walk together. Attempts to break into the stores of the areas of occupation are said to result in the shooting of up to a dozen people a day, it is reported.

Japanese Foreign Minister pessimistic on Anglo-Japanese relations and regards the United States as the innocent dupe of British machinations, Grew reports.

5 Japanese ships presently in Buenos Aires; only remaining Japanese ships in Atlantic. Withdrawal of shipping service practically complete. Compares with 20 Japanese ships in Atlantic 30 July, it is reported.

No exportation of oil to Japan from the Netherlands East Indies will be permitted unless Japan takes steps (public declaration of no intent of attack and withdrawal of troops from Southern Indo-China) to assure the East Indies of her peaceful intentions, Grew reports.

1531 contracts and orders in the amount of \$162,565,471 were placed by the Bureau of Supplies and Accounts during July 1941, bringing the total placed since July 1940 to 15,154 in the amount of \$2.3 billion.

Maritime Commission reported discussing at meeting today, censorship and control of United States Merchant Ship movements, including radio regulations, use of control routes by ship masters, Navy control at foreign ports and restrictions on exchange of cable and radio communications with American ships and shipping agencies outside of home waters.

An unusual loss, about 23 August, was sustained by the aviation unit of the USS PORTLAND when its complete complement of aircraft (4) was wrecked incident to a storm at sea. No personnel casualties occurred, Captain Ramsey reports.

97.4 of the workers went back to work yesterday at Kearny. Admiral Bowen reports situation is "fine and progressing".

Admiral Noyes reports the question of priorities on dispatches is most important. If all messages are made "priority", "priority" means nothing. During the last war triple priority was used. The Communication Division has made every effort to hold "priority" messages down. On 26 August the number of priority messages released from the Office of Chief of Naval

Operation was O. N.B.C. has asked its best script writer, now with the Navy, to write one of four one-half hour programs on the four most important men alive to-day. He will work with Ernest K. Lindley in preparing a dramatization of the life of President Roosevelt, to be broadcast on the Red Network of N.B.C. at the popular hour of 7:00 P.M. on Sunday (?).

Apparently the flight of two Russian Consolidated PBV airplanes, from Moscow for the United States, has been changed and the route to be taken according to reports, is Dutch Harbor, Kodiak, Sitka, Seattle and San Francisco. The purpose of the flight is to transport Russian flying personnel to be indoctrinated in Army Pursuit planes in this country, the Bureau of Aeronautics reports.

Samples of Dupont's and Bakelite plastics are being examined for use in place of metal armor. If effective its use in airplanes would be valuable because of its lighter weight. It is too early for any conclusion.

Hearings on the 1943 Navy Budget have been held in the Office of Budget and Reports. It is contemplated it will be submitted to the Bureau of the Budget, 15 September.

B U L L E T I N

27 August, 1941

Warehousing of British Lend-Lease material in United States held essential by some officers in Bureau of Supplies and Accounts. Present system reported taxing suppliers shipping and warehousing facilities while goods wait until shipping instructions are received. Some suppliers are refusing to bid on Lend-Lease because of this situation which not only ties up their shipping facilities but lengthens period of payment for manufactured material and necessitates much correspondence and "paper work" between them and Government Agencies to learn where goods should be shipped. British concerned over possible sabotage and do not want to concentrate goods at any point. This situation is considered of such importance that conferences are being held with the British representatives concerning it, it is reported.

Army and Navy have issued orders designed to keep the representatives of each at occupied bases informed of statements of policy in order to assure uniformity of action in their relations with local authorities,

the Judge Advocate General's Office reports.

It is becoming increasingly difficult to supply heavy turret material within the time required by ship-builders. Primary reason is that it takes as long to manufacture such heavy material and get it to the ship within the time desired as it takes to build the ship. A ship with an A-1-a priority may require an A-1-a priority for tools and an A-1-b priority for materials to avoid delays in ordnance equipment. Until the present priority system is revised, the Bureau of Ordnance cannot secure the desired changes in priorities, it is reported.

Lord Mountbatten will assume command of the H. M. S. ILLUSTRIOUS (British Aircraft Carrier 23,000 tons) at 8:00 A. M. Thursday.

The Bureau of Aeronautics is investigating the possibilities of collaboration in National Defense Week in the New York area. The measure involves display of airplanes and aviation equipment.

The present contract for Naval Ammunition Depot, Burns City, Indiana, including the supplemental agreement, totals \$5,900,000. Construction of quarters and of

miscellaneous administrative and maintenance buildings is about 80% complete. Magazines are being constructed at the rate of 25 per month with the first completed August First. Projectile and Bag Filling Plants are about 30% complete. Foundations are poured for the Illuminating Projectile and Flare Assembly Plant. Road and railroad work is keeping pace with the remainder of the construction the Bureau of Yards and Docks reports.

United States Navy Japanese language course will start at Harvard University in October, it is reported.

Evacuation of children from Moscow ordered "not later than 25 August and from suburban area within a radius of approximately 30 miles of the city not later than 26 August", Steinhart reports.

Germany to begin a peace offensive when important Russian cities are occupied and the Russian armies crippled or destroyed: (1) to weaken the will of the American people to help England (2) for the salutary effect it would have upon the German people and (3) in the faint hope it might succeed, Earle reports.

Two divisions of Poles reported to have been organized

and provided by the Soviet with arms including field artillery. Two more divisions will be organized shortly and ultimately there will be a total of six. Their Commander states additional arms will have to be obtained from Great Britain or the United States. 80% of the Bulgarian people reported strongly in sympathy with Russia - 50 tank cars of gasoline reported to have been destroyed by sabotage.

Of 8 German and Italian ships at Bandar-i-Shahpur, Persia, one was sunk, two undamaged, 5 were damaged but repairable, it is reported from British sources.

Thailand Government is reported requesting authority through their legation at Washington to purchase in the United States pursuit and bomber planes complete with bombs, armament and ammunition.

A number of French merchant vessels are reported at the disposal of the Italians.

2% (fewer than 600) Japanese to leave the Philippines for Japan according to reported public statement by Japanese Consul General at Manila.

Russia warns Japan not to interfere with American war materials enroute to Siberia, it is reported.

~~Confidential~~

B U L L E T I N

26 August, 1941

A tremendous increase in the amount of plastics and plywoods used in American Aircraft as compared with a year ago, when a survey was made for the Navy, is reported in a new N.A.C.A. confidential survey being distributed to Federal research agencies. This program is being stimulated as the demands for fabricated and forged aluminum and magnesium alloy parts become increasingly difficult to meet. Today all major airplane companies are studying plastics and plywoods; some parts have already been adopted, others are being tested and probably soon will be approved for production and the National Bureau of Standards and the Forest Products Research Laboratories are preparing needed authoritative data. Plastics are expected to aid in the sub-contracting problem.

Furniture manufacturers already are surveying the possibilities.

Three times as much Defense Aid Material was delivered to Great Britain in July as in June (on a dollar value of deliveries basis) in spite of the fact that

the deliveries are small in relation to the total program. Principle articles delivered in July were 4^{1/2} 50 caliber projectiles, 3 P.T. and P.T.C. boats, two additional motor boats and degaussing cables, the Office of Budget and Reports reports.

A Speakers Bureau, or liaison committee, has been established in the Division of Facts and Figures of the Civilian Defense Administration. Navy took the initiative in its establishment and will continue to co-operate through membership on the committee. The Bureau will function as a clearing house for data on speeches and will arrange for speakers at meetings and events arranged for by private groups such as the "Fight for Freedom Committee." Full co-operation in and outside of the Government must be secured if this organization is to function successfully in helping build public morale and explaining the seriousness of the present situation.

Studies and tests of substitutes for silk have been ordered by the Under Secretary of the Navy.

Bureau of Aeronautics participated in a conference in the Office of Production Management on the subject of revising the shipbuilding program for the fiscal year 1943.

As a result of a meeting of the Secretary of the Navy with Lord Beaverbrook, the British Government is reconciled to getting any additional PSY-5 airplanes over and above the number now scheduled for them from Canadian sources, it is reported.

Navy has opened a leased wire to Kearny as of today.

While Iran will resist invasion, it will not be very vigorous. If invasion is properly pressed, it is felt Iran should collapse in about one week.

Drefus reports he is convinced the British are using the Fifth Column danger as a pretext for the occupation of Iran. He believes the occupation is based on overwhelming military necessity. He is in full agreement with the action.

Nazis pose as saviors of Europe from the horrors of Communist menace is proving successful in France, particularly among large industrialists. A peace offensive, if and when the Russian campaign ends in Hitler's favor, might find sympathetic ears in France it is reported. Germany brings pressure to bear on Turkey. Ribbentrop has made it clear that Turkey must share in the spoils (presumably Russian-Turkistan) or put herself in the

opposition, MacMurray reports. He believes the Germans are bluffing and that Turkey will not be cowed into yielding the Straits and the Anatolian Plateau. Russian Black Sea Fleet definitely controls Black Sea in spite of German air superiority supported by Rumanian ships and German motor boats, it is reported. Sabotage in France is reported causing anxiety to the German authorities. Flow of supplies over Burma Road reported doubled in the past two weeks. Additional increases expected when 4,500 United States-made trucks get into action. It is questionable that armed resistance will be offered against Japanese aggression in Thailand, if the occasion arises, it is reported. Japanese Naval Officers and Officials are worried over the possibility of a surprise attack on their fleet, it is reported from Tokyo. Japanese Government will inaugurate in the near future a plan to control shipping, shipbuilding and personnel. 18 Standard Oil Tankers are being transferred from Panamanian to British registration. Colombia reported worried over Nazi activities.

~~Confidential~~

BULLETIN

25 August, 1941

Navy has joined with the Army in approving the Office of Production Management's procedure designed to expedite sub-contracting and is considering comprehensive specific directives necessary to carry out the recommended procedure. The teeth of the directive under consideration is in the refusal to grant deliveries or priorities for machine tools unless and until the prime contractor has certified no known sub-contractors are available. Also under consideration as an enforcement measure is the refusal to grant a certificate of necessity for new plant unless the prime contractor certifies the non-existence of sub-contractors. Government assistance with financing, transportation and labor needs also are being studied in regard to compliance with this program.

Progress is now beginning to show up in a number of Navy Projects. During the month of July, 8 projects principally repair and overhaul of British vessels became complete. Repair and overhaul work is progressing in a noteworthy fashion. Plant expansion for Defense Aid projects under the cognizance of the Bureau

of Ordnance will show a substantial approach toward completion in August.

At the instigation of the British Government the Bureau of Supplies and Accounts is studying the possibilities of setting up a Progress Section for Defense Aid Projects with a view to keeping the British Government informed of the status of their orders for defense materials.

O.F.M. has again directed the Department's attention to immediate necessity of restricting use of aluminum and aluminum alloys and has requested that the Navy Yards minimize their requests for aluminum during the next several months. Also it has urged that the number of specifications for steel be reduced in its various forms and as used by the Services.

11 strike cases in which the Navy was interested were settled last week, 19 similar cases are still open and 11 strikes are pending which may affect Navy Contracts.

Contracts are being or have been let for 110 additional small craft. This will complete the awards for the 400 vessels authorized under the act of 31 January 1941.

A Board has been appointed to select a site for the Naval Magazine, Gulf Coast Area.

U.S.S. NORTH CAROLINA is leaving today for a builder's trial which is expected to last four or five days.

Pittcairn Autogyro Company is making strong representations to the Bureau of Aeronautics to proceed with a study of the employment of the autogyro. These representations purport to reflect the needs of the British for this type of aircraft.

New British class in photo interpretation being attended by United States Naval Officers starts today in London.

Wholesale Price Index for all Commodities for week ending 16 August, 1941 - 89.6.

Turkey views with apprehension the possibility of military activity in Iran, especially the thought of Russian occupation, it was reported last week.

British have announced July shipping losses lowest since May 1940 and that August figures have been equally good. (This is confirmed by reports received in the Office of Naval Intelligence.)

British relinquishment of administrative and military control to the French in Syria reported far wider than anticipated or believed necessary and of real danger in an emergency.

4. Germans reported being forced to divert increasing number of troops to combat Russian guerilla operations. Quisling Government in Norway may be replaced by German military or civil government of occupation Greene reports. German propaganda reported chiefly responsible for definite swing of Finnish public sentiment against United States on ground that United States is aiding Finland's chief enemy. Undercurrent of friendship for United States still continues in hope that America will assist in country's rehabilitation after Finland's share in war is ended.

Chiefs of German Gestapo in South America reported to have held a conference in Berlin. Subject - "America". Italian convoys from Civitavecchia (Port on West Coast of Italy) and Naples are reported sent to Libya (North Africa) constantly. It is judged that one-third of these troop and supply ships have been lost.

Greek food situation acute. Although Italians in Greece are numerically superior to the Germans there, Germans have complete control of all key positions, ports and communications, it is reported.

Japanese invite attention to unfavorable United States press, Grew reports.

~~Confidential~~

BULLETIN

25 August, 1941

Total Enlisted Strength, 23 August 259,756

<u>Fleet Reservists (Enlisted) on Active Duty</u>	9,459
<u>Other Reservists</u> " " " "	34,228
<u>Retired Men</u> " " " "	1,877
Total	45,564

<u>Aggregate Enlistments (Last 24 Hours)</u>	255
<u>Aggregate Discharges</u> " " " "	124
Gain	131

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of 23 August.

<u>Character of Duty</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Temp. Ashore or Afloat</u>	<u>Total</u>
<u>Line Officers</u>				
Organized Reserve	95	339	-	434
V-G Officers	2045	3094	11	5150
DE-V(S), D-V(S), E-V(S)	1706	204	2	1912
DE-F Officers	2	-	-	2
Communication Officers	569	138	2	709
I-V(S) Officers	1009	6	4	1019
O-V(S) Officers	493	-	1	494
I-V(S) Officers	34	-	-	34
Probationary Off. (E-D-O)	40	37	79	156
Merchant Marine	111	839	27	977
<u>Staff Officers</u>				
CEC-V(S) Officers	610	-	-	610
Sup. Corps Officers	1108	176	36	1320
M.C. and D.C. Officers	1386	156	4	1546
CC-V Officers	91	1	4	96
CHC-V Officers	60	4	-	64
Aviation Officers	1117	8	-	1125
Retired Officers	35	2	-	37
Total	10511	5004	170	15685

~~Confidential~~

B U L L E T I N

22 August, 1941

Germany plans some action concerning Turkey within the very near future according to reported unconfirmed but persistent rumors.

British reported not to be in a sufficiently strong position until November to undertake large scale operations in the North African Area. If this delay is necessary, present strength now "calculated" for an offensive to the West may prove inadequate for a defense if Hitler should not pursue the Russian campaign and should undertake a movement Southwest through Turkey and Iran synchronized with an attack on the Suez Canal from the Sea as well as from the Western desert. (Military experts estimate Hitler will establish the Russian Front with trenches and feel the above movement is a strong possibility.)

Much friction is reported between British, Vichy French and Free French in administration of Armistice terms concerning Syria.

An enormous improvement in both Civilian and Military morale in Italy is reported.

15 United States Merchant Ships are waiting to discharge their cargo at Suez, compared with 23 ships waiting at one time about a week ago. 12 additional ships are Northbound between Capetown and Suez and 36 United States Ships enroute for Suez via Capetown indicates Lend-Lease cargo being rushed to meet requirements in Near East, it is reported.

TIRPITZ (Battleship 35,000 tons) reported alongside of HIPPER (Heavy Cruiser 10,000 tons) and LUTZOW (Heavy Cruiser 10,000 tons) in dry dock at Kiel, 20 August. SEYDLITZ (Heavy Cruiser 10,000 tons) at Bremen; the LEIPZIG (Cruiser 6,000 tons) at Copenhagen; the NURNBERG (Cruiser 6,000 tons) at Flensburg, (Germany).

Japanese reported to have 10 tank regiments of 150 tanks per regiment and 100% reserve, four regiments of which are in Manchukuo (Manchuria) and four more of which could be concentrated there on brief notice.

Another group of transports reported arrived Saigon (Cochin-China) 18 August carrying estimated one Division Japanese troops with their supplies.

Evidence of leanings toward Democracy in Argentina is reported by Armour.

Sea Otter II building at Orange, Texas, will be launched 23 August. Construction will have been completed in five weeks. The transmission is to be delivered 23 August; no alignment being necessary. Strip or structural steel is used in the construction. The new type power unit developed by Chrysler can be produced on a mass, "line" basis without tapping normal power sources of the shipbuilding industry, it is reported. A conference was held this week by the Passive Defense Section with Officials of the Public Buildings Administration, Federal Works Agency, on studies which are being made by them on splinter and blast proof protection for the personnel of government buildings, and on methods of providing gas filtered air to air raid shelters. A modified form of the Army gas filter has been developed by the Bureau of Yards and Docks for production by private manufacturers.

Remaining United States Naval Officers in Japan expected to be evacuated in the near future it is reported. Another recreation camp for 150 British Seamen was opened in the Voorhees State Park, New Jersey. All are enthusiastic about the arrangements. Citizens of

- Raleigh and Durham, North Carolina, have been "extremely hospitable" to British Seamen in camp near Raleigh. The Federal Security Agency is giving splendid cooperation to the Navy on this program.

One 20 M.M. Oerlikon machine gun has been received by the Naval Gun Factory for tests to be conducted at Dahlgren; 8 or 10 additional should be received from American Oerlikon Dazda Company during August, Bureau of Ordnance reports.

- Bureau of Aeronautics is conferring with Mr. Robert Lovett, Under Secretary, War for Air, in connection with a study of appropriate service recognition of units of the aircraft industry that have been successful in meeting their production schedules.

The problem of personnel for the organization of two new patrol squadrons and the HORNET air group is under careful study. It will involve substantial personnel contributions by the Pacific and Atlantic Fleet Forces to fit out these new units, the Bureau of Aeronautics reports.

One convoy 64 ships, another 28 arrived Britain complete it is reported from a reliable source.

~~Confidential~~

B U L L E T I N
21 August, 1941

Irañ's reply to British-Russian demands' reportedly to be rejected. Unless Irans face the realities of the situation within the next few days they will "find it is too late".

British Embassy in Turkey reported to have prepared a draft of a note as a precautionary measure, requesting United States Ambassador to represent them. It is not contemplated to deliver it in the near future.

Bulgaria denies possibility of attack on Turkey, Earle reports.

Control of Shipping Northbound in Red Sea has been assumed by British Minister of War Transport in Mid-East in order to relieve congestion at Suez. CINC. E.I. considers it essential all United States vessels arriving Red Sea stop at Aden (S.W. Arabia) and await word to proceed in order for this plan to succeed.

Convoy OG71 reported attacked by 2 Junker 88's, two bombs, no damage. This is the first case in several months of attack on convoy by a plane other than F W 200s to West of Ireland, it is reported.

2.

Vichy has limited American Consular establishments at behest of the German Government it is reported.

Ambassador Leahy's sympathetic understanding and intelligent cooperation has been reported in complimentary terms. America's withdrawal of diplomatic representation at Vichy would simply abandon the field to Axis influence, Cole reports.

German Planes will try to shoot down British Commercial Planes between Stockholm and Moscow enroute from London hoping to obtain important documents. United States Counselor, Berlin, has been told of danger to any prominent American Official flying that route. Navy representatives in London have been advised even though report may be exaggerated, intended to hinder communications with Moscow, the Counselor's informant cannot be ignored.

General Niefenfuhr, German Military Attache, Rio de Janeiro, is spreading the doctrine that the Brazillians are being taken for a ride by us, Caffery reports.

Unless Italian Fleet can operate in Black Sea, no active role appears feasible in view of its weakness due to losses, it is reported.

The VITTORIO VENETO (Battleship 35,000 tons) is reported

3.

undergoing repair as result of bomb hit.

100 Chinese volunteer airmen of Chungking air force reported to have departed for Manila to receive training in American Air Force.

Recruiting Advertising Campaign reported successful. Saint Louis gains are typical. Enlistments there of apprentice seamen and mess attendants were June - 280, July - 312, August (estimated) - 485. Advertising Campaign will be extended to small town papers in Kentucky, Kansas and Nebraska 25 August and to Virginia, West Virginia and Maryland 9 September. Recruiting estimated at rate of 11,000 for August. V-5 aviation cadet recruiting "extremely healthy" and V-7 enlistments progressing "satisfactorily".

United States Navy Planes as of 1 August-Service 3233, obsolete 499, obsolescent 130, experimental 28; total 3890 of which 204 are assigned to the USMC. United States Naval Reserve planes total 332 of which 327 are service and 5 are obsolete, making a grand total of 4222. 6054 Navy planes were on order and undelivered as of 1 August according to reports from the Bureau of Aeronautics.

The physical education program is reported "most suc-

cessful". Gene Tunney is touring Navy Recruiting Stations to interview physical instructor applicants for the enlarged program.

United States Naval Detachment #31 Radio School R.A.F. Clinton, Ontario, opened on 16 August for instruction in theory and operation of RADAR. About 200 men and 25 officers were welcomed with open arms and are most "at home". The Commanding Officer was particularly impressed with the "high type" of enlisted men.

Arrangements have been completed for the air transportation of the Duke of Kent from Naval Air Station to Norfolk on Monday August 25.

The construction of increased storage facilities in line with the increase of the Fleet is proceeding at a rapid pace. The majority of work is being performed on a cost-plus-a-fixed-fee basis, but when time permits, competitive lump sum bids are received.

Lease-Lend requisitions are still being received but they are being held pending receipt of further appropriations it is reported.

Destroyer mail Service between Boston, Argentia and Reykjavik has been established.

~~Confidential~~

BULLETIN

20 August, 1941

Germany pushing its influence persistently southward in Spain, Portugal, Morocco, West Africa and in the Canary and Cape Verde Islands. This constitutes a constantly growing threat to American-British shipping and to the Western Hemisphere a reliable source reports. Turks not pleased over British-Russian guarantee of military aid; moreover they felt the British might be delaying material aid, which would be greatly welcome now, it is reported.

Five French Vessels (the GRAND QUEVILLY-2,844 tons: MONTAIGNE-3,770 tons: AISNE-3,654 tons: CEVENNES-2,509 tons and the BRESTOIS, Destroyer - 1,376 tons) cleared Casablanca (W. Morocco) for Dakar about 13 August, loaded with large quantities of war materials and four additional French ships are due to arrive from Marseille at Oran (N.W. Algeria) or Algiers (Algeria) loaded with war materials for transportation to Dakar, via Casablanca, it is reported.

Dakar's only anti-aircraft are those on board the Naval vessels in the port, including the RICHELIEU (French

2.

Battleship 35,000 tons) it is reported from a source "presumed reliable". Coast Defense guns however are plentiful and are increasing in numbers.

Portuguese vessel LIMA (Destroyer 1,400 tons), arrived at Ponta Delgada (Sao Miguel Island), 17 August from Lisbon with a detachment of 200 machine gun troops and war material for San Miguel garrisons. This ship was expected to leave 19 August for the Western Azores.

Marshall Budenny, commanding the Russian Army in the Ukraine, already has moved 3 to 400,000 men to the East Bank of the Dnieper River, it is reported.

Marshall Petain in serving warning he was determined to crush all opposition is reported as saying "the time for hedging is past".

Japanese reported to be gradually extending suspension of communication to and from cities along the occupied Chinese Coast and in Manchukuo (Manchuria). The suspensions probably are being made at points where the censorship organization has not yet been established.

Absence of any further news concerning Japanese ships previously reported West bound from Atlantic to Pacific may indicate ships proceeding direct to Japan from

5.

Cape Horn, possibly via Mandate Islands, it is reported.

Pressure from civilian personnel for transfers back to any Government Field Activity is becoming acute. In order to retain necessary trained personnel, it is necessary that a uniform policy be applied. This is being worked on now. Living conditions in Washington is one of the main factors for requests for transfers.

The strike situation at the Inland Gifford Plant has improved with three quarters of the personnel having gone back to work, Bureau of Aeronautics reports.

Captain Ramsey reports there will be a request for the assignment of Naval aviators to duty with New Zealand air force and that the Bureau of Aeronautics is collaborating with the program for the movement and visit of the Duke of Kent in this area.

Chilean Navy desires to send one commander and one lieutenant for six months study with the Navy and the Mexican Navy Department wants to send five officers to the post graduate school and two to Pensacola.

News services are checking with Press Relations on Dornel (Japanese News Agency) report that two-thirds of the United States Marines are leaving Shanghai for

Manila. There is "no comment".

London is speculating as result of Roosevelt-Churchill meeting, that United States will take over Bases in Northern Ireland, which Irish have refused to British, in same manner United States occupied Iceland the U.P. reports. There is "No Comment" from Navy Press Office.

The Bureau of Yards and Docks has established a uniform rental for all low-cost Navy Defense Housing based primarily upon the size of the unit occupied. Other Governmental Agencies having projects occupied by Navy enlisted personnel have established the same rentals and have agreed to charge essentially the same rates for Navy civilian personnel.

British authorities agree to permit American Correspondents to come to Iceland subject to the terms of local censorship as previously outlined, it is reported.

Honolulu Clipper reported grounded on coral reef on 17 August. No personnel casualties. One week will be necessary for temporary repairs. Permanent repairs will be made at Manila.

Steps are being taken to reduce unnecessary long distance telephone calls in order to expedite urgent business.

~~Confidential~~

B U L L E T I N

19 August, 1941

Potential danger to the government in Egypt reported to exist, in spite of the New Egyptian Cabinet, in the event of food shortages or heavy bombings which might impel the people to acts of desperation.

Announced incidents between the Soviet Union and Bulgaria portend hostilities with the latter country, Steinhardt reports.

British Shortage of Man Power reported growing more acute every day. The Government intends to use compulsion if necessary to put women in war work.

The Italian Fleet is reported keeping to port as the result of British submarine activity.

Russian troops West of the Urals on 13 August are reported as follows: 40 motorized infantry divisions, 6 armored divisions, 15 armored corps, 28 tank brigades (total 220 tank battalions), 84 tank regiments, 84 army corps, 29 parachute brigades, 30 mechanized cavalry divisions and 60 horse cavalry divisions. The Russians are reported as having 5 armies totaling 35 divisions (approximately 14,000 men in a division) in

the Far East.

Germany and Spain are reported exchanging police officials.

German Intelligence Charts showing the tanks of Czechoslovakia, England, France, Italy, Poland and Sweden and types of German aircraft actually flown by test-pilots are reported received.

New Bombing Tactics are reported being used by the Japanese in the bombing of Chungking (China). On the advice of the Germans to secure maximum harassing value of the raids, a maximum number of attacks are made in the daytime and under moonlight conditions instead of one daylight and one moonlight attack every 24 hours by a large group of planes.

Movements of Japanese troops and material to Manchukuo (Manchuria) reported continuing.

Commercial air traffic at Chungking (China) has been suspended.

Burma Road was bombed by 18 Japanese planes 15 August, no serious damage to the road is reported.

Despite every effort to improve the situation, the procurement of TNT remains critical it is reported.

The Leland Gifford Company is employed in machining crank shafts for Pratt and Whitney engines. The employees are now on strike. Pratt and Whitney reports that the situation is very critical in that Pratt and Whitney will have exhausted their available crank shafts for all types of Pratt and Whitney engines in the course of a very few days unless work is resumed at the Leland Gifford Plant, the Bureau of Aeronautics reports.

The Navy is "wholeheartedly" for the program being worked on by OPM to secure wider distribution of defense contracts and is cooperating with the OPM Officials working on this program. Admiral Spear had a conference with Messers Levis and Eaton of the Office of Production Management last week on this subject.

Mr. Schwab an employee of the Postal Telegraph Company, alleged to be a Communist, was working in a Postal Telegraph Company, New York telegraph station to which go the Navy Direct Wires. Schwab manipulated it so he was assigned to the Navy Telegraph Circuit. He was fired. Orders from the Mediation Board have necessitated his reinstatement. He now is working in the same office.

It is not known whether he is on the Navy Circuit. This question is being taken up with L.C.M. Smith, head of the Labor Relations Section in the Department of Justice, the Judge Advocate General's Office reports.

General wage revision for the East Coast, similar to recently made West Coast revision, is under study by the Navy Department. It is reported that zone standards are to be modified according to private wage rates, it is reported.

United States Submarines will operate out of New London, Connecticut during the week ending August 23, 1941.

The manufacture of Marine chronometers for use on board ship has been started in this country at the plant of the Hamilton Watch Company, Lancaster, Pennsylvania.

Preliminary tests indicate the American made instruments will compare favorably with the instruments made abroad.

The War and Navy Departments are sponsoring the visit of high-ranking military Russians to aircraft manufacturing plants in the United States, the Bureau of Aeronautics reports.

Canadian Prime Minister King's popularity reported waning.

~~Confidential~~

BULLETIN
18 August, 1941

Total Enlisted Strength, 16 August 258,160

<u>Fleet Reservists</u> (Enlisted) on Active Duty	9,415
<u>Other Reservists</u> " " " "	33,770
<u>Retired Men</u> " " " "	<u>1,601</u>
Total	44,786

<u>Aggregate Enlistments</u> (Last 24 hours)	422
<u>Aggregate Discharges</u> " " " "	133
Gain	<u>289</u>

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of 16 August.

<u>Character of Duty</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Temp. Ashore or Afloat</u>	<u>Total</u>
<u>Line Officers</u>				
Organized Reserve	87	409	-	496
V-G Officers	2076	2959	11	5046
DE-V(S), D-V(S), E-V(S)	1681	196	2	1879
DE-F Officers	2	-	-	2
Communication Officers	568	136	2	706
I-V(S) Officers	968	4	4	976
O-V(S) Officers	473	-	-	473
L-V(S) Officers	34	-	-	34
Probationary Off. (E-D-O)	44	33	79	156
Merchant Marine	103	815	24	942
<u>Staff Officers</u>				
CEC-V(S) Officers	600	-	-	600
Sup. Corps Officers	997	169	36	1202
M.C. & D.C. Officers	1391	145	2	1538
CC-V Officers	90	1	4	95
CHC-V Officers	54	6	-	60
Aviation Officers	1102	8	-	1110
Retired Officers	37	2	-	39
Total	<u>10307</u>	<u>4883</u>	<u>164</u>	<u>15354</u>

~~Confidential~~

B U L L E T I N
18 August, 1941

Turkey is in imminent danger of a German attack, Vatican sources believe. A feint will be made from Thrace but the main effort is expected via islands lying off Anatolia, it is reported.

Situation in North Africa thought by British to be serious.

Germans are rumored planning pincer's drive: from bases in Tripoli, Sicily and Sardinia, they will move for immediate air occupation of French Morocco and simultaneously German Divisions now in the Pyrenees will move into Spain for "permission" to attack Gibraltar, it is reported.

Supply of Tobruk (Libya) by destroyers is continuing.

Some damage to ammunition supply and power line from air attack on Tobruk 11-12 August is reported.

Although Darlan's appointment is unquestionably dangerous, Petain is believed unlikely, at present, to consent to the German use of the French fleet and Bases, Leahy reports.

British and Russian demands on Iran are expected to be refused with invasion following, meeting a weak "token" resistance is a reported prediction from a reliable source. Separatist and Pro-English sympathy reported very strong in Sicily.

2. Portuguese Government reportedly to move to Africa in case of invasion.

Japan reported to be desirous to avoid war with Britain and United States to have a free hand with Russia.

Continuous night and day raids by Japanese air force reported to have disrupted all business in Chungking, China. 60,000 Japanese infantry and 15,000 cavalry reported to have arrived in Dairen (S. Manchuria) China, since the beginning of Russo-German fighting.

Shortage of lubricating oils and gasoline may compel closing of some German plants by the end of 1941, it is reported.

German claims as to number of Russian prisoners taken are thought by British to be reliable but numbers of field pieces, planes and tanks reported to have been put out of commission are thought to be high.

Traffic through the Suez Canal reported uninterrupted.

Morale of Italian Navy appears to be an all time low, it is reported.

Mr. Knudsen feels that there should be more activity in

3.
appreciation of the seriousness of the defense emergency, it is reported. In this field, The Bureau of Ordnance's Incentive Plan is working smoothly and the Industrial Morale Plan involving speeches to plant workers has proved popular. Speeches have been made by Admirals Kimmel, King and Woodward and a speech by Admiral Cleyverius is under consideration. The Lasker Incentive Plan has been changed from the original proposal and is being modified to meet actual needs. Navy representatives have had two conferences with representats of Mr. Hillman's Office on this subject.

The material shortage situation is still critical the Bureau of Budget and Reports, reports. There has been so little change recently, no summary report has been prepared. More complete reports are being received from all Bureaus and the Under Secretary's Office is considering "the question of improving the estimating of material requirements of the .. Navy .. and .. will report .. findings and recommendations to the Office of Production Management".

approximately 192,000 man-days lost in August up to the 16th. Last week 13 cases in which the Navy was concerned were settled, 20 cases were still open and 27 cases were pending in which the Navy may be interested. While all of the above were "troublesome" the Kearny case is the sore spot, it is reported.

Manufacture of Torpedoes at Newport and Alexandria is progressing satisfactorily and will reach the practicable limit of 15 and 8 per day respectively, by the end of 1942.

Naval Reserves are to be released as soon as possible after the termination of the emergency, Secretary Knox has advised Governor Lehman in a public telegram released today.

The Layout of the Naval Ammunition Depot at Fallbrook, California, has been made and approved, and the Officer in Charge has been furnished with necessary plans. Construction work was started about August 1st.

Satisfactory progress of the shipbuilding program on the West Coast is reported.

No more Axis ships to be allowed to leave Brazil, Caffery reports.

Number of Graduates from the United States Naval Academy were; 1937-323; 1938-438; 1938-581; 1940-456; 1941-400.

Confidential

BULLETIN

15 August, 1941.

Japanese believe the Germans are winning in Russia, it is reported. (Military experts "estimate" the Japanese will move against Russia when Moscow falls.)

Some 4000 Japanese troops are "thought" to be on the Thailand frontier, it is reported.

Russians will make determined stand at Odessa, it is reported. Morale of the Russian fleet and its air arm in the Black Sea is reported good.

German armored units far ahead of their infantry in Southern Ukraine, it is reported. Information confirms mounting German losses.

There are no important results on Finnish front, it is reported.

Leahy reports preliminary reactions to Petain's address, is the "strong" belief that regardless of the effects upon France's political structure, it does not represent a closer approach to collaboration with the Reich.

Numerous reports indicate Nazi opinion in Paris has recently been hardened toward France and the occupying authorities, he also reports.

All available maps of Greenland and Iceland reported procured by German military authorities in Denmark on 15 May.

Rumors in Bucharest alleging that Turkey will join Britain believed to be Nazi inspired to create an excuse for Nazi attack upon Turkey.

Denial of entrance into Afghanistan by Afghan government to a number of Germans as a result of "a strong British influence" is reported.

German cereal crops reported endangered by long wet spell. Fifteen days of fair weather needed to salvage crop. Sugar and fat situation improved. Meat and cereal shortage serious, rations will be reduced after hoped for decision is reached in the East.

Italian officers and officials reported to believe United States is now in the War. Propaganda is being directed to prepare the public for open entry into war of United States.

Unrest in Italian occupied territories, Montenegro and Albania has been reported.

Iran calling up reservists 20 to 28 years of age, it is reported.

Vichy diplomat reported to have arrived in Rio de Janeiro

with \$1,000,000 in American currency.

Local defensive measures of the Cape Verde Islands are not believed to be effective, it is reported.

British Forces reported giving splendid cooperation to USMC in Iceland. There is a high degree of cooperation and friendly assistance. The "remarkable feat" of unloading five transports in four days was made possible by British assistance, some individuals working seventy-two hours without relief. The Icelandic people have also demonstrated their friendly interest in the American Forces. General Marston, USMC, has given his personal assurance to the people of Iceland that "we are their friends and that they can rely upon us to limit our activities in Iceland to a defense and a support of their native institutions."

The Army, Navy and Priorities Division of OPM will be represented in each of the Commodity Sections which have been substituted for the eleven priority committees formerly in the Priorities Division.

James Montgomery Flagg has drawn several suggested rough drafts of Marine Recruiting Posters, all of which are good and one of which says "Hiya HE-man - join the Marines".

4.

California with 23,989 enlisted men leads all states contributing enlisted personnel of the regular Navy as of 30 June, 1941. Washington, Iowa, Oregon and Colorado are next in line with Maine contributing the fewest enlisted personnel, the Bureau of Navigation reports.

Dr. Hunsacker is securing four or five especially qualified reserve officers as "bird dogs" to contact research activities and digest current activities. These men will furnish the material to be "coordinated."

It is now contemplated that approximately 200 Ensigns, SC-V(P), will be ordered to the Navy Supply Corps School, Graduate School of Business Administration, Harvard University, about 25 September 1941. Those who successfully complete the course will be transferred to SC-V(G), and will be retained on active duty.

488 inquiries have been received in four days from employees and visitors at the Rapid Transit Information Booth in the main lobby of the Navy Department. It is expected that this service will relieve some of the traffic problems and help new employees become oriented.

Total number of Naval ROTC graduates for the fiscal years 1942-45 inclusive is expected to be 3,446, the Bureau of Navigation reports.

~~Confidential~~

B U L L E T I N

14 August, 1941

Estimate of Russian situation by reliable source includes (1) Soviets no longer capable of a major counter-offensive (2) Soviets still capable of strong resistance (3) Soviets have lost best trained and equipped troops and larger part of war material but Army and civilian personnel are not demoralized.

Determined resistance of Moscow is being prepared; fall of Moscow will have an unfavorable effect on continued resistance, it is reported.

Germany is pressing Sweden to supply war materials to Finland. Sweden has yielded to the extent of 300 anti-tank guns, 200 tanks and 200 anti-aircraft guns from Swedish stores, British sources report.

Germany may equip French prisoners of war, after releasing them, for duty at Dakar where large amounts of war material have landed, British sources report.

Germany is reported to have quite a number of small submarines in the Black Sea which will be used in an attack on South Russia.

Steinhardt reports efforts are being made to raise four

2. or five Polish Divisions in U.S.S.R.

United States made P-40's (Curtiss pursuit fighter - Tom-a-hawk) in action against JU-87's (Junkers) and Me-109's (Messerschmidts) destroyed or damaged 18 out of 30 German planes with a loss of 2 P-40's it is reported from the "Mediterranean theatre."

Recent Bombing Attack on Suez was "apparently directed at 3 American ships. There were 9 near misses but no appreciable damage" the British Admiralty reports.

Preparations for a move into the oil fields in the Southwest of Iran are being continued by the British Force at Basra, but the air support is "most unsatisfactory" British sources report.

Weygand declares North African situation to be unchanged and no concessions have been made to the Nazis, it is reported.

Men-of-war (all types) sunk or damaged up to 25 July, 1941 is reported as follows: Britain 342, France 27, Germany 74, Norway 12, Yugoslavia 6, Holland 22, Greece 17 and Italy 92.

Reports of Japanese troops indicate there are 80,000 on Hainan Island, 60,000 on Formosa, and at least 50,000 in Indo-China. (Newspapers report 180,000 troops are to be

3.
sent to Indo-China).

The problem of raw materials and machine tools remain critical and serious. Cutting automobile production fifty percent, as proposed, may help the raw material and skilled labor situation slightly, but it is doubtful if many of the automobile production tools released will be useful for ordnance manufacturing purposes, the Bureau of Ordnance reports.

State Department's Policy is to permit sale by oil companies to Japanese ships of amount of oil necessary to reach their home ports. Oil companies are encouraged to require payment in American dollars.

Intensive studies are being made of facilities adjacent to the Naval Air Station, Norfolk, Virginia, with a view to meeting the greatly expanded activities which are contemplated in that locality, Bureau of Aeronautics reports.

Contracts awarded by Bureau of Supplies and Accounts during June 1941 amounted to \$418,780,224.92.

3 United States tankers will depart from West Coast ports this week for Vladivostok with full cargoes of aviation gasoline under priority arrangement completed by the Maritime Commission.

Before priority actions are taken in OPM they will clear

4.

through the Clearance Section of the Priorities Division. Commander Sickie has been designated for continuous service representing the Navy with the section, Secretary Knox reports. Budget hearings are being held this afternoon on a request for 600 additional small craft some of which are to be acquired and others to be built. The amount of money under consideration is \$35 million. If approved the request will be placed before Chairman Vinson. This is designed to supplement the 400 craft program now under way to meet District needs.

Navy is evacuating all hunting stations "north of Scores by Sund" at the request of the Greenland Government with possible exception of 7 Norwegian hunters who enjoy treaty status. Plan for establishing sledge patrols throughout the Northeast of Greenland is under consideration.

A survey of the Navy Department's messenger service is underway to coordinate Bureau and Section Service with the revised speeded-up Departmental service.

The Bureaus of Ships and Docks and the Maritime Commission have authorized employment of civilian guards to be deputized as sheriffs for security of Ford Avenue Access Bridge to Terminal Island.

~~CONFIDENTIAL~~
B U L L E T I N

13 August, 1941

Thai Prime Minister believes Japanese are bluffing and do not want to fight Britain or the United States. He reports Thai will oppose force with force but would require outside military aid. (Thais reported to have 20,000 fully equipped troops along the Indo-China frontier.)

Vichy Agreement gives Japanese unrestricted use of all communication facilities in Tongking (French Indo-China) facilitating move to border of Yunnan (S.W. China). Japanese occupy 12 of 16 airdromes in North Indo-China and 8 of 12 in the South, it is reported.

Red Armies are believed in extreme difficulty in the Ukraine it is reported. Russia may have to abandon all the Southern Ukraine west of the Bug River if German advance continues.

Strong fortifications in Crimea and Russian bombardment of Constanta (Rumania) and Varna (Bulgaria) have caused the Nazis to abandon their plan for the attack of Odessa (Ukraine on Black Sea) and the Crimea by sea. Russians have been conducting heavy and continuous

air attacks by day and night on Constanta (Rumania). Damage to oil loading installations has been so great that it will take two months to make sufficient repairs and resume oil exports, it is reported.

News of sabotage and executions in Yugoslavia released by censors is reported to be an understatement.

German-Russian war losses are estimated by a Rumanian Officer of the General Staff as follows: Rumania - 30,000 dead; 100,000 wounded and missing. Hungary - 12,000 dead; 40,000 wounded and missing. Germany - 250,000 dead; 800,000 wounded and missing.

3,755,000 tons of shipping were lost by the enemy from 3 September 1919 to 5 August 1941 the British report.

British attack by 90 bombers (8-9 August) on Krupp shipyards at Kiel (Prussia) is reported to have been very successful.

Over 1,000,000 tons of imports were convoyed into the British Isles for the week ending 2 August.

100 United States War Planes are reported to have arrived at Singapore.

Prime Minister Menzies is reported planning a conference with President Roosevelt if the Australian Parliament approves.

At Bases outside the continental limits of the United States the Navy is providing protection for vital structures against direct hits of the most destructive bombs and against gas attack. Plans and specifications have been distributed to the field, and the construction of bomb-proof power plants, communication centers and personnel shelters is now underway or completed at a number of locations. Bomb-proof designs are based upon exact information on the penetration and explosion effects of simulated bombs on reinforced concrete structures, developed as a result of special tests conducted at the Naval Proving Ground, Dahlgren, Virginia.

The Bureau of Ordnance has recently concluded a license agreement with the Bofors Company of Sweden for the manufacture of 40 mm Anti-Aircraft guns under terms very favorable to the United States. Question has now been raised as to whether this agreement permits the transfer of this material to foreign countries under lend-lease terms. The matter is now under consideration by the Judge Advocate General's Office.

A study is being made of the proposal to move the Second Marine Aircraft Group, Fleet Marine Force, from Barber's Point (EWA) T.H. to the Naval Air Station Kaneohe Bay,

T. H. during the course of major building construction activities at Barber's Point the Bureau of Aeronautics reports.

A Board is in session for the purpose of studying and recommending an Airship Organization. In this, it has been necessary to start practically from scratch.

Contract awards include: Naval Ammunition Depot, Hingham, Massachusetts, \$2,600,000. Lighter-than-air Base, South Weymouth, Massachusetts, \$5,620,000. Flood control at Naval Ammunition Depot, Fort Mifflin, Pennsylvania, \$392,000. Additional facilities at Section Base, San Francisco, California, \$650,000.

The Defense Contract Service of OPM has been given added responsibilities in stimulating sub-contracting and spreading of work. The Army and Navy will appoint representatives to meet with Mehornay et al to consider changes proposed in procurement practices to make possible accomplishment of these objectives.

Five members of the Senate Naval Affairs Committee are expected to leave on 18 August for Iceland via Argentina.

Consideration is being given to a site for a 120 bed Naval Hospital at KeyWest, Fla., Bu. of Medicine & Surgery reports,

Confidential

BULLETIN
NAVY DEPARTMENT
11 August 1941

Total Enlisted Strength, 9 August 255,883

Fleet Reservists (Enlisted) on Active Duty 9,117
Other Reservists " " " " 33,162
Retired Men " " " " 1,781

Total 43,860

Aggregate Enlistments (last 24 hours) 349

Aggregate Discharges " " " " 69

Gain 280

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of 9 August.

Character of Duty	Ashore	Afloat	Temp.	
			Ashore	or Afloat
Line Officers				Total
Organized Reserve	110	435	-	545
V-G Officers	2094	2883	12	4989
DE-V(S), D-V(S), E-V(S)	1635	188	3	1826
DE-F Officers	2	-	-	2
Communication Officers	562	139	2	703
I-V(S) Officers	913	4	4	921
O-V(S) Officers	479	-	-	479
L-V(S) Officers	34	-	-	34
Probationary Officers(E-D-O)	42	34	79	155
Merchant Marine	95	777	43	915
Staff Officers				
CSC-V(S) Officers	591	-	-	591
Sup. Corps Officers	981	156	36	1173
Med. & Dental Officers	1356	137	2	1495
OC-V Officers	88	1	4	93
CSC-V Officers	55	4	-	59
Aviation Officers (Instr)				
(Does not include A-V(S))	1082	8	63	1153
Retired Officers	31	2	-	33
Total	10152	4778	248	15178

~~Confidential~~

BULLETIN

5 August 1941

Japanese Cities are vulnerable to air raids a "qualified" "friendly" expert reports, anti-aircraft defense is practically non-existent while the nature of construction of the cities is such that they can be relatively easily destroyed by fire. He suggests, in case of war, a successful air raid on major Japanese cities could be carried out by the bomber aircraft of one aircraft carrier, 24 - 36 planes. With "fair luck" they could virtually destroy any one of the three large industrial centers of Japan (Tokyo, Nagoya, and Kobe - Osaka Area). Such raids would have a "tremendous effect" in reducing the armament capacity of the Japanese Empire and in undermining the will of the Japanese. The anticipated results would warrant the risk to several carriers. The raids should be made as soon as possible upon the outbreak of war and need not necessarily be coordinated with other Naval moves.

Japanese Forces in Manchukuo are reported to be about 300,000 consisting of 10 divisions, or about 242,000 officers and men; 6 independent garrison units (38,000) and 8 frontier garrison units (22,600).

2.

Early German occupation of the Atlantic Coasts of Spain and Portugal is reported "in order to bring pressure on the United States to accept peace-terms that will be proposed by Germany" upon the conclusion of the campaign in Russia.

Planned German attack on Turkey about 15 August again reported.

British Naval Force reported to be moving toward Murmansk (Russia) stated to include (1) 2 cruisers (10,000 tons), (2) 2 aircraft carriers (class of the VICTORIOUS), (3) 5 destroyers and (4) 2 transports (10,000 tons each.)

British reported to be compelling Iran to cooperate in getting rid of Nazi tourists.

German "Office of Sea Transport" reported organized in Braila, Rumania, to develop transportation system of supplies to Germans in Russia via the Danube River, Sulina (Rumania) and Odessa (Russia) - expected to be captured in a few days.

Much satisfaction is reported in Malta over the destruction of Naval Force attacking Malta last Saturday and recent successful bombings of Sicilian Bases.

Evidence of German rubber shortage has been reported.

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Despite every effort to improve TNT procurement, it still remains extremely critical. Information was received recently that the Triton Plant, Glen Wilton, Virginia, was commissioned for the manufacture of TNT but due to objections by the War Department and OPM the Bureau of Ordnance to date has been unable to let a contract with this Company. Further effort will be made to obtain the use of this plant.

Approximately 51,000 man days were lost during the month of July affecting Naval Defense contracts. Last week two strikes were settled, 19 cases in which the Navy has an interest were still open and 6 new strike cases were pending in which the Navy may be interested.

The Ordnance Incentive Plan has been launched, the first presentation of the Navy "E" for distinguished service in production has been made, enthusiasm of reception has exceeded the forecast. The Ordnance plan differs from other plans in that no bonus or other material reward is made. It relies on catching the "popular fancy" of labor, which it appears to have done. The Bureaus of Aeronautics, Ships and Yards and Docks also have plans under consideration or in operation.

4.

Admiral Towers reports that at the request of the British the Navy is arranging to conduct some tests to determine the practicability of operating autogyros from small platforms on military ships for the purpose of anti-submarine patrol. Past experiences have not been encouraging.

Admiral J. H. Towers will leave Washington on 6 August in company with Mr. Knudson to inspect the aircraft manufacturing plants on the east coast area. The inspection schedules cover a three-day period.

Bureau of Yards and Docks reports the following priority instructions have been issued in connection with the conservation of strategic materials: (1) no magnesium, aluminum, tungsten, nickel or zinc to be used except for work of primary importance; (2) domestic furniture woods to be used in lieu of mahogany and metal furniture for quarters, and wicker furniture in lieu of tubular metal; (3) eliminate special finishes on machinery and equipment, and (4) substitute "laid-up" masonry construction for reinforced concrete construction.

Unwise reading aloud in the Senate within hearing of the galleries of secret Navy report on Sabotage by Senator Walsh is deplored by McKeesport, Pennsylvania, News.

~~Confidential~~

B U L L E T I N
4 August 1941

Great influx of Nazis into Spain, Malaga particularly, has been reported on good authority. Germany is reported moving units from Interior Germany in direction of Southwest France. (This coast would be a logical place for a British attack.)

Earle reports possible German attack on Turkey within six weeks.

Important increase in shipping activity between Germany and Norway is reported.

Germans are deliberately holding back their advance into Russia before making a big push, hoping to tempt Russian Reserves to the front is a reported rumor.

400 German planes have arrived in Sicily, it is reported.

Germans are reported putting pressure on Turkey for passage of troops to attack British through Iraq, Iran and Syria. Germans want BAKU. In return Turkey is being promised Syria, part of Iraq, including Mosul area and Turkestan.

Heavy German Material, including tanks, vehicles and planes is passing through Greece for Libya.

Radio loud speakers, which make one machine gun sound

2.

like hundreds reported used by Germans on the Eastern Front.

14,000 Japanese troops have sailed from Shanghai, China, in the past five days, destination reported South.

No Japanese troops are in the Peruvian forces, contrary to reports from Ecuador during the past two weeks, a reliable source reports.

Captain D. C. Ramsey, acting Chief of Bureau of Aeronautics, reports: the possibility of putting a landing field on Guam is being investigated; The Wake landing field is being prescribed the highest priority; 13 PEY type of airplanes were delivered to the Navy during last week. This is the largest number of this type of airplane so far delivered in one week; a letter has been received from Mr. Currie asking for naval cooperation in the recruitment of additional volunteers for aviation duty in China. The Navy has already contributed the services of 22 reserve officers who submitted their resignation in order to serve with the Chinese Air Force.

Admiral Towers returned to Washington Sunday 3 August, from a trip of inspection of the San Francisco, San Diego, Hawaiian areas. He had accompanied the Under Secretary, Mr. Forrestal. Mr. Forrestal, following the above inspect-

3.

ion, remained on the West Coast in order to inspect Mare Island and Bremerton.

Three squadrons of American planes in Africa "doing good work". The middle East to be "all American show" it is reported. High hopes are held for Kitty Hawk (latest type Curtis fighter used by British) but continuation of efforts for higher altitude held imperative.

Navy Defense Program is "sticking pretty close to schedule" except in the case of armor which is expected to get better when new production comes in; even this is ahead of promised delivery dates in most cases, but it is "not up to what we want" it is reported by the Division of Reports.

Modified instructions for entering and departing Manila Bay have been issued.

Mayor Macauley, Newport Rhode Island reports of approximately 150,000 sailors ashore there since 15 March 1941, 260 were arrested, of which 210 were turned over to the Shore Patrol with no charges and 50 men were fined, for serious offenses. "Malicious mischief" and "revelling" appear frequently. The Mayor says "it is a very good record". Apparently the police are "cooperating" as evidenced by the charge "Operating an automobile

without consent of the owner."

Increased evidence of fleas infected with Bubonic plague on West Coast is being observed by Navy and other medical officials. No humans have been infected.

The first joint Army-Marine exercises are now under way in North Carolina. Before their completion on the 8th of August, the Marines will simulate a withdrawal.

Contributions received between 6 September 1939 and June 1941 by persons and organizations registered with Department of State total \$38.8 million of which \$27.5 were spent for relief in various countries.

Iron-clad censorship has been exercised on commercial telephone communications to and from Norway (routed via Berlin) since 18 July, it is reported. Prior to that date there was about one call a day in each direction of which about 90 percent cleared the censor.

Tunisian Officials believe that the Military future has been changed by the Russian Campaign and hope is being revived that ways and means will be found by French to fight their way out of their present predicament, it is reported.

Australian Purchasing Commission enroute here reported will seek air raid precautions equipment under lease-lend.

Confidential

BULLETIN
NAVY DEPARTMENT
4 August 1941

Total Enlisted Strength, 2 August 254,060

<u>Fleet Reservists</u> (Enlisted) on Active Duty	9,317
<u>Other Reservists</u> " " " "	32,439
<u>Retired Men</u> " " " "	<u>1,381</u>

Total 43,137

<u>Aggregate Enlistments</u> (last 24 hours)	256
<u>Aggregate Discharges</u> " " " "	<u>114</u>
Gain	<u>142</u>

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of 2 August.

<u>Character of Duty</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Temp. Ashore or Afloat</u>	<u>Total</u>
<u>Line Officers</u>				
Organized Reserve	147	445	-	592
V-G Officers	2135	2795	14	4944
DE-V(S), D-V(S), E-V(S)	1606	173	3	1782
DE-F Officers	2	-	-	2
Communication Officers	596	98	-	694
I-V(S) Officers	869	4	4	877
O-V(S) Officers	476	-	-	476
L-V(S) Officers	33	-	-	33
Probationary Officers (E-D-O)	41	35	79	155
Merchant Marine	113	748	43	904
<u>Staff Officers</u>				
CEC-V(S) Officers	586	-	-	586
Sup. Corps Officers	965	162	25	1152
Med. & Dental Officers	1340	134	3	1477
CC-V Officers	88	1	3	92
CHC-V Officers	56	2	-	58
<u>Aviation Officers (Instr)</u>				
(Does not include A-V(N))	1077	6	-	1083
Retired Officers	33	2	-	35
Total	<u>10163</u>	<u>4605</u>	<u>174</u>	<u>14942</u>

~~Confidential~~

BULLETIN
1 August 1941

"Decisive psychological moment" now at hand for the British to attack and break the Reich and Nazi Army reported ready to abandon Hitler if President Roosevelt will declare the Reich will not be partitioned a reliable source reports.

That government has decided to make no reply to Japanese demands for naval and air bases, tin, rice, rubber, and wolfram ore. A reliable source expects Japanese "decisive" action in a few days.

Japanese and Vichy Governments reported to have concluded a military alliance for joint action against China and Britain.

The daily departure of about ten Japanese transports headed west continues.

There is hourly increase in tension in Darlen.

War preparations continue in Mukden (Manchuria).

Japanese businesses in South Africa have been closed, and all Japanese residents are returning to Japan.

Dakar, protected by anti-submarine and anti-torpedo nets, is again laboring under a state of apprehension.

Arroyo Administration may fall. Increased feeling

United States cannot enforce peace and unwilling to arm Ecuador, is reported.

Rumanian Oil Fields and installations have been damaged 10 percent it is reported.

2,006 Negroes were in the Navy as of 30 June, 1941.

United States Employment Service, Social Security has asked who to contact for jobs constructing British Bases in North Ireland and was advised Navy Department has no information on the subject.

The Secretary of the Navy has approved the establishment by the Bureau of Supplies and Accounts of an Inland Supply Depot where a reservoir of stock will be maintained to be funneled out to shore establishments. This will relieve Navy demands on certain such used shipping facilities through the use of other railroads, relieve the depots on the coasts and will be in a safer location. It is expected to cost about \$15 million.

Barrage balloons are being purchased by the Bureau of Aeronautics to equip Units of the Fleet Marine Force for use as protection of advance fleet bases against aircraft attack -- the same purpose for which they are employed abroad; two Marine Corps barrage balloon squadrons, (150 balloons and necessary equipment), are

being organized to carry out training and operations at Quantico and Parris Island. These squadrons are designed to operate beyond the continental limits of the United States in their logical and established expeditionary functions. The barrage squadrons of the Army will operate within the continental limits of the United States. The Navy has issued instructions to effectuate the Memorandum Agreement between representatives of Government agencies engaged in defense construction and the Building and Construction Trades Department of the A.F. of L. pertaining to the labor policy to be followed in defense construction in the United States and the Canal Zone.

Admiral Conrad, Post Paymaster General is setting up an office in the Bureau of Supplies and Accounts to establish the procedure for the sale of Defense saving bonds and stamps throughout the Navy.

The use of private shipyards for naval vessel construction had increased more than nine-fold during the fiscal year which ended June 30, 1941. Where 12 private yards were building naval craft in the fiscal year 1940, there were 109 so employed at the end of the fiscal year 1941 and this does not include four that started and completed their contracts during the year. These naval shipbuilding

4.
operations in private yards were widely scattered over the nation, 28 states sharing in them as compared with nine in the previous fiscal year. Private facilities were pressed into service to build everything from motor torpedo boats to battleships, the Bureau of Ships reports.

Navy Contracts awarded include: Marine Corps Air Base, Neuse River, North Carolina, \$14,145,000. Lighter-Than-Air Base near Elizabeth City, North Carolina, \$5,620,000.

The Navy's program for planes for transportation of troops includes and calls for additional R4D's (Douglas Transports) to be used for transport and cargo purposes. In view of the urgent requirements of the commercial airlines and the British forces the procurement for the Army and Navy, may be slowed, is reported by the Bureau of Aeronautics.

Naval Air Stations, Midway Island and Trinidad will be commissioned today while the station at Dutch Harbor, Adaknak Island, Alaska, will be commissioned 1 September, 1941.

Wholesale Price Index for all commodities for the weeks ending:

5 July 1941	--	87.7
12 July 1941	--	88.1
19 July 1941	--	88.3
26 July 1941	--	88.8

The State Department has reported it is not authorized to issue passports to Iceland.

~~Confidential~~

BULLETIN

31 July, 1941

Aluminum fabricators, as a forerunner of many industrial lines reported pinched by priorities, now desire to receive Government business but are unable to compete on a price, service or quality basis with large companies supplying the Government. While recognizing the efficiency of the system of advertised bids, particularly in peacetime, some individuals feel that apportionment of the Government's needs to the various geographical sections, with or without localized bidding in these sections, would enable the procurement of aluminum fabricated products at the same time it would permit these smaller concerns to exist. The Bureau of Supplies and Accounts, has been advertising for bids successfully over a long period, recognizes the complications and dangers of negotiated contracts, expects the prime contractors to subcontract and demands and gets performance. It refers any manufacturer not able to meet existing specifications and requirements to the Bureau of Ships or Aeronautics for determination if the facilities can be used for other purposes. Failing to find such additional needs, the companies are referred to the Defense Contract Service of

O.P.N. which has the primary responsibility in cases of this kind but has no contracts to give out. It is reported that the pressure from small manufacturers of many products for a part of the defense business probably will increase. This is evidenced by Representative Lyndon Johnson's recent charge that the Navy and O.P.N. are ignoring small petroleum companies in procuring oil and gasoline supplies. Some manufacturers are reported to be solving their own problems but it is felt that many may take their problems to their Congressmen and precipitate an argument over procurement. If so, the question of mandatory sub-contracting clauses in Government contracts may be raised.

Captain D. Ramsey, Acting Chief of Bureau of Aeronautics stated that investigation of the possibility of providing a 5000 ft. by 200 ft. runway at Wake is being made with a view to providing this facility for the operations of Army B-17 bombers.

Freezing of design in bomber planes has not taken place in the Navy. Improvement in type is continuing - hand in hand with production. The British and the Army are believed about to freeze bomber design to facilitate mass production.

Further plans and arrangements are being made for the 280' escort destroyer to be developed under lease-lend. Further developments in the machinery arrangements to prevent interference with our destroyer program are reported.

Bureau of Ships has just started work on a new design of rescue chamber which will be similar to the old rescue chamber; however, it will be useable to 550 feet in comparison with the 400 feet of the present chamber.

Navy is planning to build two 2½ million dollar mobile steam turbine power plants of 10,000 k.w.'s mounted on 3 or 4 railroad cars. One unit to be at the West Coast and one on the East Coast at central points. It is estimated that they will be capable of furnishing power to a city of 10,000 population.

The Marine's new tank lighter carries one light tank, makes 13 knots and runs up the shore to discharge the tank.

Tests of the British and the United States armor showed that the three inch Class "B" armor were equally effective, however, the British six inch Class "A" armor was inferior to ours it is reported.

British troops are being concentrated along the Malaya

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and Burma borders following the French-Japanese agreement it is reported.

Nazis reported to have inspected the defenses of the Canary Islands (Atlantic Ocean - N.W. Coast, Africa).

German Legations in Nicaragua, Guatamala, San Salvador, Brazil and Cuba reported to have asked (15 June) these countries to state their positions in the event of war between the United States and Germany. (Received 30 July).

Germans' "desperate situation" (Colossal" losses of men, materials and fuel) on the Russian Front makes it imperative for Turkey to be prepared for a surprise thrust through to Caucasian oil fields it is reported.

Japanese are shortening their lines in North China. A total of three or four divisions are being moved out of this area, a reliable source reports.

A second contingent of more than 400 American technicians, workers and laborers of all trades arrived at "Port in North Ireland." Americans now here estimated at more than 800 and another group is expected to arrive shortly, a 30 July AP dispatch reports.

Virginio Gayda proposed in Giornale d'Italia 30 July that the Axis regard American warships as belligerent vessels and fire upon them accordingly.

~~Confidential~~

B U L L E T I N

30 July, 1941

Bomb damage to Tutuila at Chungking (China) reported to be a deliberate attack on gunboat and embassy area which missed only by a split second.

Grew reports the new Japanese foreign minister was angered by belief that Germans influence current Japanese policies.

"General Supply" is fighting on the Russian's side a reliable source reports. When necessary for the Russians to fall back they reach accumulated supplies already assembled. The success of their supply service has been "remarkable". The Nazis have to bring everything with them, including water for many places. This causes delays until the supply lines can be lengthened. Since there is no real front and the fighting is being done in pockets of various sizes, with guerrilla warfare in between and behind, the Germans have a real problem to maintain their supply lines.

Landings by British forces in West (Russia) long overdue it is reported. Russians apprehensive that Bulgarian troops will be put on the Russian front.

2.

All Finnish ships intercepted by the British are being sent into British ports and their masters are being told this is to prevent seizure by the enemy, a reliable source reports.

Relations between France and Germany reported "almost at the breaking point". This is due mainly to France's resistance to penetration in Africa by Germany. Leahy's source advises caution in re: Dakar and Casablanca (Morocco) by saying "Until you have 10,000 planes be careful, then you can do what you wish".

British propose to move into Iran the first week of August by occupying Abadan (Persia) and the oil fields in its vicinity and perhaps then bomb Tehran (Persia) if Iran Government does not meet the terms of the British Ultimatum demanding the deportation of all (2,500 estimated) Nazis tourists, it is reported.

British request that officers ordered to United Kingdom be issued instructions on introduction of British money into Britain, censorship, etc, in order to avoid embarrassment. They recommend that all mail should be carried in pouches to avoid censorship.

British reported dropping forged clothing ration cards in Germany. Long prison terms, if not death will be the

3.

punishment for their use. French are reported to be transferring ships to Italy but Admiral Leahy has not been able to confirm this report.

Italians greatly disturbed over Central Mediterranean shipping losses it is reported.

A well armed and well led force of 40,000 Patriots acting against the Italian occupational army of 200,000 men in Montenegro and Albania recently destroyed an Italian motorized regiment. The Italian Governor of Montenegro was jailed a reliable source reports.

Neapolitans by the thousands are leaving Naples at night to sleep in the country for fear of air raids it is reported.

A large concentration of German airplanes is reported at Guidonia airport at Rome.

The Motor Torpedo-boat tests were very interesting. 7 out of 9 boats completed the 190 mile run, five of them without any casualty of any sort. A special report is being prepared covering the tests.

HR-5412 - First Supplemental National Defense Appropriation Bill 1942 - cleared the House yesterday with no changes in the Bill as reported by the Appropriation

Committee. The Senate is expected to consider the Bill tomorrow.

The Philippine Off-Shore Patrol, consisting of two motor torpedo boats and about 150 officers and men is reported placed under the jurisdiction of the 16th Naval District, U.S.N.

The Press has been asked not to use stories about "250 British officers going to New Bern, North Carolina, for recreational purposes".

Secretary Knox will entertain the Navy District Public Relation Officers at a luncheon at the Willard to-morrow at 13:00 o'clock. Secretary Knox will speak on "Navy News and Defense Secrets", Mr. Knudsen's topic will be "The Defense Program", while Mayor LaGuardia will speak on "The People and Defense".

The Navy saves and utilizes its scrap - among the more important items are: garbage ashore, waste paper, unserviceable paint brushes and scrap metals including aluminum.

The Senate cleared the conferees report on the HR - 3537 - lighter-than-air Bill - and the House Committee will consider it tomorrow when Chairman Vinson returns.

Floor space in New Navy Building at Arlington is about 1/2 of that the Navy Dept., approximately 450,000 sq. ft.

~~Confidential~~

B U L L E T I N

29 July, 1941

A tentative agreement has been reached by the Army and Navy in that priorities have been accorded a certain number of tactical naval airplanes to give the same preference rating now enjoyed by the five hundred bomber program, it is reported by the Bureau of Aeronautics.

The Army is cooperating with the Navy in assisting the Navy's training program by diverting BT airplanes (basic trainers) from their own orders to Navy use it is reported by the Bureau of Aeronautics.

8 strikes in which naval defense contracts were involved were settled last week. 13 strike cases are still open, of which the strike at Fairbanks-Morse Plant at Three Rivers, Michigan, which began 9 July is most acute. 14 strikes are reported pending in which the Navy may be interested. While there was an increase in the number of strike situations last week they do not cover as important cases.

Negotiations are being conducted with the Icelandic Government to obtain consent to place all Icelandic ships trading between North America and Iceland in convoys and to regulate sailing dates to accomplish this.

2.

There will be an estimated shortage of 20,000 additional trained seamen for the Merchant Marine by the 31 December 1942, it is reported.

Vichy has agreed to the following terms (in part) of the Japanese: 40,000 troops to land 30 July in Cochin-China; establishment of naval bases at Saigon (Cochin-China), Cam-ranh (Cochin-China) Quang-tri (Cochin-China); air bases at Siem Reap (French Indo-China), Kohpangtrack and Phnompenh (Capital of Cambodia); Sok Trang (French Indo-China), Bien-ho (French Indo-China) and Cholon (French Indo-China) and Nha-trang and Turan in Annam ... It is believed demands will be made on Thailand for Naval and Air Bases in the near future. (New maps of these areas are attached.)

Japanese troops and military supplies are reported arriving in Manchukuo and the Japanese Navy is reported mining the waters of Tsushima Strait (Japan).

Japanese are reported not to have any motor torpedo boats in service as foreign models acquired are not suited to the rough Japanese waters. They are, however, testing two experimental models.

Japanese restrictions on travel are expected to be relaxed when mobilization is completed early next month a reliable

3.

source reports.

Bombing in the Naples raids is reported to have been accurate but it is estimated that about 30 percent were duds.

Lesby reports that an important French Official feels that "when the time comes", Nazi penetration into North Africa will be justified on the grounds of jointly defending France's Empire as is the case in "common defense of Indo-China" promulgated by the Japanese. Another reliable source reports Germans have demanded port facilities in French North Africa.

Large German forces are being sent to Naples for embarkation to North Africa with convoys leaving every few days with many effectives and much material it is reported.

Unconfirmed reports indicate Germany is preparing to attack Tobruk (Libya), date unknown, since future operations in that theatre are useless unless Tobruk is taken. A new offensive against Alexandria is reported scheduled to start in October.

German aircraft production "decreases" according to the opinion of an Italian aircraft agent who has visited Berlin, a reliable source reports.

Nazis' Nation-wide Utilization of Waste Products Campaign reflects a severe shortage of textile fiber.

4.

A serious Norwegian shortage of food due to Germans taking "all the food they can find" is reported.

British have decided to exert pressure on the Governments of Afghanistan and Iran to expel Nazi agents there it is reported.

Unrest in Belgium as evidenced by demonstrations is being recognized by trials and increased penalties.

Proposed hearings of Civil Aeronautics Board on the acquisition of Aero-Naves de Mexico and other Mexican air lines by Pan-American Airways believed would be useful to the Nazis as propaganda material and would be harmful in creating unfavorable Mexican public opinion it is reported from a reliable source in Mexico City.

Naval personnel at Dakar is reported to total 8,176 including those both on shore and aboard ships.

Ecuadorian Government draws a gloomy picture in reference to Axis-Peru activities and Ecuador's dire need of assistance; rumors are current of pro-Axis coup, it is reported.

Overthrow of the Argentina Government will be attempted in the next few days, it is rumored in Italy.

The man in the street in Finland believes the Nazi divisions will march out of the territory of Finland, "allowing" a conclusion of hostilities, it is reported.

~~CONFIDENTIAL~~ BULLETIN
NAVY DEPARTMENT
28 July, 1941

Total Enlisted Strength, 26 July 251,493

Fleet Reservists (Enlisted) on Active Duty	9,274
Other Reservists	" " " "	31,218
Retired Men	" " " "	1,087
Total	41,579

Aggregate Enlistments (last 24 hours)	180
Aggregate Discharges	" " " "	87
Gain		93

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of July 26.

Character of Duty	Ashore	Afloat	Temp. Ashore or Afloat	Total
<u>Line Officers</u>				
Organized Reserve	252	443	-	695
V-G Officers	1945	2775	2	4722
DE-V(S), D-V(S), & E-V(S)	1579	169	3	1751
DE-F Officers	2	-	-	2
Communication Officers	590	96	-	686
I-V(S) Officers	846	4	4	854
O-V(S) Officers	434	-	-	434
L-V(S) Officers	31	-	-	31
Probationary Officers(E-D-O)	41	35	79	155
Merchant Marine	98	755	40	893
<u>Staff Officers</u>				
CSC-V(S) Officers	577	-	-	577
Sup. Corps Officers	964	142	19	1125
Med. & Dental Officers	1304	128	3	1435
CG-V Officers	88	1	3	92
CHC-V Officers	56	2	-	58
A violation Officers(Instr)	1055	3	-	1058
(Does not include A-V(N))				
Retired Officers	31	2	-	33
Total	9893	4555	153	14601

~~Confidential~~

B U L L E T I N
28 July, 1941

A Conference of Commanders of Inshore Patrol is being held this week for general discussion of Naval Local Defense Force Activities. Consideration will be given to organization; 'X' vessels for 'M' day; joint defense of harbors and procedure for harbor entrance control; net and boom defenses; naval transportation service in relation to inshore patrol; district personnel and security; section bases; mines, mine recovery organization and degaussing; minesweeping and minelaying tactics; gunnery; underwater listening training, and tactics; naval district communications; district schools of the naval local defense forces; personnel for districts and in naval local defense forces; distribution of hydrographic charts and publications.

The joint maneuvers scheduled to be held in Puerto Rico have been cancelled. Plans are being considered for holding these maneuvers in North Carolina, the United States Marine Corps reports.

Urgency of defense program is not fully appreciated, particularly west of the Mississippi, it is reported.

2.

Under Secretary Forrestal and party arrived in Honolulu Saturday evening after a quick trip.

The Recreation camp for men of the British Navy continues to be highly successful.

Admiral Towers reports deliveries of air craft to the Navy have not met the total deliveries scheduled as based on the manufacturers reports of 1 January 1941. Actual deliveries during the first six months of 1941 totaled 1,547 planes, 20% short of the estimate of 1,995 planes. Failure of deliveries to materialize as scheduled is due to the inability of manufacturers to meet the high rate of production mutually established by themselves and the Navy principally because of (1) Initially over-optimistic estimates (2) Delays due to correction of deficiencies of design and incorporation of changes essential to safety of operation and military effectiveness, necessity for which developed as lessons were learned from the war in Europe (3) Delayed receipt of component parts, both Government and subcontractor furnished (4) Shortage of materials and processed parts (5) Disagreements between Labor and Management (6) Inexperience of large numbers of new personnel absorbed by the aircraft industry in its expansion and the dispersion of management and supervisory personnel.

3.

The Navy has enough silk on hand to meet its current requirements in the production of parachutes, it is reported.

The Bureau of Yards and Docks' Board to Negotiate Fee Contracts, has awarded over \$610,000,000 of construction contracts in the one year of its organization.

The normal output of nautical charts is about 450,000 copies. During the past fiscal year this number increased to 2,331,000 copies, over five times the normal output, with a total for this period, including miscellaneous work amounting to 3,800,000.

The armor plate industry has expanded considerably since 1938 as a result of the construction of new plants, increased efficiency of personnel and the lessening of certain machining at the armor plants, it is reported.

Turkey, Iran, Syria, Iraq and Palestine are reported possible future danger spots.

The Navy Department has requested permission from the Public Buildings Administration, to occupy the New Navy Building at Arlington, Virginia, wing by wing, as ready.

Food situation in Kazan (Soviet Russia) is noticeably worse than in Moscow, with large shortages of staples and long queues outside of bakeries, confectioneries and eating places it is reported.

Discontent reported to be growing in Germany. Daily obituary notices printed in small-town papers on soldiers killed in Russia are having quite a depressing effect, Leahy reports.

The SCHARNHORST (German Battleship 26,000 tons) is again at Brest having returned from La Pallice (S. W. France) it is reported.

750,000 Japanese reported being mobilized during July in utmost secrecy is the largest mobilization since the Sino-Jap hostilities began. As yet there is no clear indication where the forces will be used.

The occupation of Indo-China will take place between 28-31 July according to ordinarily well informed local Japanese forces in Shanghai, it is reported 27 July.

Japan believed to be getting ready for final big push to defeat Chungking and end hostilities. An attack on Russia prior to the collapse of the Red Government appears unlikely unless made by insubordinate local army commanders. Japan is expected to pursue an independent course, gradually breaking away from the Berlin Axis. Occupation of all Indo-China in order to secure a defense position is probable, but an offensive further South depends on consolidation of positions and this will require time, is reported.

~~Confidential~~

SPECIAL BULLETIN ON "A SINGLE AIR FORCE"

25 July, 1941

"Congress Bloc getting ready for a show down" ¹ on the question "Shall the United States have a separate Air Force?" ² This is believed to be the "hottest" public relations problem before the U. S. Navy today. The results of a Gallup Poll on this subject will be published tomorrow. Within the next few weeks, Colliers will publish an article by Secretary Knox on the Subject of Sea Air Power. Admiral Horne reports this subject has come up again (considered by Morrow Board, 1925 and the Baker Board, 1932 but the findings not publicized) because of World War II, the spectacular operations by German Aircraft, tremendous increase in our air forces and the public belief that Army and Navy are not getting the best out of the air forces, which are handicapped by too much conservatism, "Brass hats, with ivory inside."

Admiral Horne reports the principal reasons why Aviation should not be separated from the Navy at any time are:

1. Material. Aircraft employed from the land differ so radically in design as well as in surface features to those required in naval operations, as to render

that such design be conceived and the
by personnel intimately familiar

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with the requirements, through close association with all phases of naval operations.

2. Personnel. Naval pilots require a thorough and continuing knowledge of the basic tactics employed by all arms of the Navy. Naval pilots are given the rudiments of training necessary for cooperation with other Naval forces while they are undergoing training at shore stations. However, it is only through a protracted period of day-to-day association with Navy personnel and day-to-day operations in conjunction with other Naval forces that they are enabled to acquire the intimate knowledge and familiarity necessary for independent cooperation.
3. Unity of Command. If Naval aviation were separated from the Navy and placed under a Department of Aviation, it would be necessary for some arrangements to be made for reallocating to the Navy such air forces as might be required in connection with these operations from time to time: The net result would be something analogous to the situation which existed in the Fleet air arm of the British Navy, where the R.A.F. allocated pilots trained in the R.A.F. for service on board British ships.

result was a divided command as the R.A.F. pilots acted independently and without regard to the general Naval Situation. The only other alternative would be to place the carriers under the command of a separate air force. In either case, there would still be divided command.

Admiral Horne reports the following recapitulation of arguments against a separate air force:

1. Unity of command essential in the event of actual fighting.
2. Men in aviation are not supermen - no increase in effectiveness can be expected unless there is some "brake" on them as now.
3. Aircraft by itself will not win a war - effective only within its range; European congestion makes plane effective there.
 - (a) German planes in Poland operated in close cooperation with land forces.
 - (b) Neither Navy nor air forces can conquer or hold land alone; Army and planes must be taken overseas by Navy.
 - (c) Aircraft trained only for independent operation is not effective in joint or cooperative operation.
 - (d) Infantry is sole base and backbone of force - other arms and branches should be used to aid infantry.
 - (e) Blockade or devastation effective only when it cuts supplies from land forces.
4. The Mitchell case - Not question of "Billy" Mitchell being right or wrong. Aviation value admitted - procedure wrong. It was necessary to discipline a man who called his superior liars, etc. He is on record as having falsified testimony himself. If findings of courtmartial had been published, it would have proved too damaging to Mitchell, but would have com-
discredited him - as a "martyr."
force fails because of quality of com-

- (a) British have fumbled and are remedying situation by creating Naval and Army air forces.
 - (b) German strength lies in unity of command.
 - (c) British Coastal Command had difficulty and found solution in placing air under Navy Command.
 - (d) British restoring unity of command.
 - (e) One man must be in command of one area or task - This is illustrated by Hawaiian joint staff experience.
6. No improvement in procurement by unified air force.
 - (a) There would be lack of initiative in design.
 - (b) Individuals who operate various planes now have part in developing special design.
 - (c) There is no use in having second rate planes.
 - (d) Must specialize on function of specific plane.
 7. Naval Aviation in Coastal Command.
 - (a) Aviator must be trained to recognize importance of what is seen. Air men cannot report accurately on ships and ship movements.
 8. Italians have unified command but a
 - (a) Very inferior force
 - (b) Have attacked own ships through inability to distinguish from enemy.
 9. No delay in air craft production caused by Army and Navy bidding against each other. Advisory Board has prevented this.
1. Attached clipping from Herald Tribune, July 20, 1941.
 2. Attached clipping from Times-Herald, Washington, D.C. July 20, 1941.

~~Confidential~~ *File*

BULLETIN
24 July, 1941

Important French Officials expect the Japanese to move against Russia, Leahy reports.

Nazis attack has been retarded by the inability ("unexpected") of the 50 mm, and less, anti tank guns to penetrate the 55 mm armor of the Soviet tanks, it is reported. British have drastically curtailed oil to Japan, Anglo-Iranian 1940 agreement to sell 1,000,000 barrels of oil to Japan is now inoperative it is reported.

Leahy reports Darlan has given "some slight indication" that he wanted to make a better impression upon the United States and that the revival of the Nazis' interest in Laval may be significant.

Aranha states "we are not opposed to your black list ... but this list should never have been published ... it has put all sorts of ammunition into the Nazis' hands" Caffery reports.

United States Custom Officials in Virgin Islands have been questioning British merchant ships about their armament. British report information will be furnished to proper officials in Washington but it is not desirable

such information be obtained locally.

Current propaganda methods of Axis being featured in German and Italian press and radio to bolster the morale of the people are reported to include: (1) all United States must be made over into factories to equal German production of tanks and airplanes; (2) American soldier is poorly trained and does not have the "backbone" to fight the German soldier; (3) the training and experience of a United States Army Colonel is about equal to that of a German recruit of 6 months training; (4) United States Navy, while efficient, is only large enough to fight Japan and therefore can't help Great Britain; (5) America is not a single country but a confederation of States and groups of races which will split apart when subjected to severe warfare, the numbers of foreign born are quoted; (6) serious sabotage in American plants and arsenals can be expected should war break out, thus greatly hindering the American war effort. Broadcasts of Françoise Rosay, famous cinema actress who spoke to the German mothers and Colonel Stevens' broadcasts to the laboring and peasant classes of Italy are cited as effective propaganda programs.

2,035 "Low cost Defense Housing" houses are now completed. The Navy received 10% of the total amount allotted for housing and has completed approximately 40% of the entire completed total of all Government agencies. Federal Works Agency and the Army have designated the Navy Department as construction agency for over 2,000 of their units, is reported by the Bureau of Yards and Docks. Arrangements have been made for the preparation of the detailed working plans looking to the orders of construction for an escort type of destroyer for lease-lend. It is proposed to draw the plans at Navy Yard, Boston, which is skilled in design work for our own destroyers and can undertake the work without interrupting our own program.

Plans are being prepared for some wood and some steel salvage vessels, the latter type to be suitable for lend-lease and our own Navy.

United States Navy will undertake training of British pilots, observers, radio operators and air gunners. Approximately 150 students will report each month for a basic course of about 7 months. The first group of 160 will consist of: 60 R.A.F. for eventual specialized pi-

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lot training in VPB (Patrol Bombers airplanes), at Naval Air Station, Pensacola, Florida; 40 Royal Navy (Fleet Air Arm) for eventual specialized pilot training in carrier type aircraft at Naval Air Station, Miami, Florida; 30 R.A.F. observers for eventual training in fleet operating VPB airplanes at Naval Air Station, Pensacola, Florida; 30 R.A.F. for training as radio operators and air gunners at Naval Air Station, Jacksonville, Florida. The cost of the program will be charged against defense air funds which are being made the subject of a British Lend-Lease requisition.

The Mare Island Yard Hospital, while in good repair and efficient operation, is being surrounded more closely each day by the industrial part of the Yard. It is only a question of time until it will have to be moved. Consideration is being given to relocating it in the hills back of Oakland, making it more accessible to Naval activities at the Receiving Ship at San Francisco, Treasure Island Navy activities and the ships that anchor in the Bay.

The National Advisory Committee for Aeronautics' Executive Committee is meeting today to elect a new Chairman in place of Dr. Vannevar Bush who has resigned to become Director of Scientific Research and Developments.

~~CONFIDENTIAL~~

B U L L E T I N

23 July, 1941

France has had to yield to Japanese demands in regard to Indo-China; CAMRANH BAY and HAIPHONG (Indo-China) included in places to be occupied Leahy reports. Holdup in Panama Canal transits has thoroughly discouraged Japanese ship movements in the Atlantic. Heavy equipment such as tanks, trucks, guns, planes, including Stukas already loaded on Japanese transports and Japanese force of 100,000 including 500 German pilots and mechanics assembled, reliable sources report.

Tassler, German Food Dictator states "for passing on", Germany would like to make peace with Britain on following broad terms: (1) British Empire to be left intact (2) a free hand in Russia to occupy to the Urals for 25 years (3) free occupation of Poland and Czecho-Slovakia (4) free Holland, Belgium and Norway but retain Luxemburg and Alsace Lorraine (5) free France but with unlimited freedom of German enterprises and nationals in colonies (6) Croatia, some Greek islands and a part of Greece near Albania to go to Italy (7) no German colonies but large concessions in Near East Indies. Germany is opposed to

2. Japan taking East Indies and "Tasler believes that 'Friend America' will bring pressure on Britain to negotiate a peace", a reliable source reports.

Six Vichy torpedo carrying seaplanes have landed at Dekar from North Africa, it is reported.

Position of the Bolivian Army reported "uncertain".

Admiral Sheer has sailed from Kiel (Germany) and is believed having trials in the Baltic a reliable source reports.

Sailors Union of the Pacific threatens to "tie up the whole Pacific Coast" if seven Danish vessels commandeered by the Government are put in operation in Pacific waters under foreign registry and manned by foreign crews, it is reported.

Traffic again moved through the Suez Canal (17 July) although it is thought some mines remain undiscovered.

British Overseas Airways are unable to go ahead with project for British South American service to compete with LATI because of shortage of ships it is reported.

Comparative tests of British and American armor are being conducted.

The Secretary of the Navy has approved the construction of 11 additional Section Bases, which makes a total of 57 approved Bases. Funds have been released for the start of construction of 6 of these Bases in the Thirteenth Naval

District, and it is now contemplated that their completion and the construction of the remaining Bases will be contingent upon future appropriations, it is reported by the Bureau of Yards and Docks.

Members of the Board of Inspection and Survey are attending comparative service tests ("Plywood Derby" trials) for 70 to 77' motor torpedo boats (PT's) being held at New London 21-24 July to determine what types Navy might use.

2,381 Navy applicants accepted last week, being 287 up from previous week. Total enlistments were 2,041 which were 100 up from previous week. 216 aviation cadets turned over to the Flight Selection Boards, being up 12 from previous week as part of continued upward trend.

1,577 inquiries have been received from the enlistment advertising - 300 from Indiana, 518 from Iowa and 759 from Missouri. Very few have been converted to enlistments because this is the harvest season; however, of 105 inquiries in Des Moines, 5 enlisted and 40 have said they will consider applying as soon as the crops are harvested. The applicants are of a "high type" and the program is "quite reassuring", Captain Whiting reports.

Captain Sheldon reports that the site selected for the Naval Hospital at Long Beach, California, (San Pedro,

4.

California, area) is an ideal one for a Naval Hospital.

Considerable enthusiasm for the physical fitness program was observed at the Naval Operating Base at Norfolk. The program under Tunney's direction is proceeding very gratifyingly to the Bureau of Navigation.

USS SUMNER, (Survey vessel 2,900 tons) - (ex USS BUSHNELL, submarine tender) was recently completely outfitted with reproduction equipment which will permit the preparation and printing of special charts whenever that vessel is on duty as an integral part of the fleet.

Cast Armor which is being used by the British and the Army, for tanks, is receiving attention now. The army will take practically all of the production of cast armor in this country for their tank procurement. They have requested the Navy to indicate its requirements. It is estimated that the Navy will need approximately 10% of all available production for range finder hoods and other special "practically essential" requirements.

The Malarial Survey of the New River USMC Base presents the biggest problem of Malaria Control the Medical Department has been called on to handle. Work is progressing however and it is believed that by the time the Marines arrive at the camp it will be relatively safe.

~~Confidential~~

BULLETIN
21 July, 1941

The Two Ocean Navy program calls for a 170% increase over the June 1940 level. Construction since June 1940 has brought the Navy back to a position equal to that before the 50 destroyers were transferred to Great Britain and the 27 over-age destroyers were converted into auxiliaries, being about 38% of the two ocean navy goal. Work on 700,000 tons of fighting ships averages 40% complete to date, it is reported.

Conferences are in progress with the representatives of the Office of Price Administration and Civilian Supply concerning the proposed legislation for an amendment to the Revenue Act of 1940 with regard to Certificates of Non-Reimbursement, and Navy anticipates arriving at a draft of the amendment satisfactory to the Office of Price Administration and Civilian Supply very shortly, it is reported.

It is proposed to send men out to review the order books of certain manufacturers of crucible steel for the purpose of getting an on-the-ground check that crucible steel plant capacity is actually being devoted to defense

work. The Navy has invited the Office of Production Management to have representatives accompany them if it so desired.

The General Electric Company is willing to convert its mechanical refrigeration plant to defense purposes, if its competitors do the same, it is reported.

Instructions have been issued to at least seven American steamships in the Pacific covering their actions in case of "war or serious threat of war with the Japanese." Carrying of classified mail in certain waters is covered.

General Denig USMC reports Americans in Mexico City had quite a scare on 17 July when several Mexican radio stations announced that Japan had declared war on the United States. It was several hours before the truth was known when an American news broadcast was received.

Bureau of Ordnance is having some difficulty in estimating the requirements of guns necessary to arm the Merchant Marine in view of the inability to secure adequate information as to the number of ships which might have to be armed. While the conversion of a merchant vessel is a relatively short process the procurement of armament takes at least a year in view of other armament requirements.

Open Hearth steel production is being opened up as needed. An example is the American Locomotive Chicago Plant, which

has started production on a \$500,000 Navy contract.

USMC is negotiating whenever possible short-term monthly leases in Iceland until such time as the Army takes over when long-term leases will be considered.

Under Secretary Forrestal has postponed his inspection trip in the Pacific. He expects to leave the latter part of this week.

A welded type of air flask for torpedoes has been developed to a point where the Bureau of Ordnance is going into production of them. This is real progress since it saves time by eliminating several processes.

The production of 1.1" Anti-Aircraft guns, after having lagged for a few months, has now come up to contract requirements and there is some promise that a rate perhaps 50% greater than originally required will be achieved.

British landings on the Continental coast are urged by a French Official, it is reported.

Difficulties of supplying Axis troops is growing very serious. There is increased suffering of German troops in North Africa due to lead poisoning resulting from use of badly preserved foods a reliable source reports.

Russian Baltic Fleet may not be able to escape in view of the mine-fields sown between the Swedish and Danish

4 ✓
coasts, Steinhardt reports. It is assumed these vessels will be used to defend Leningrad and then destroyed, leaving the smaller craft to escape by the way of the White Sea Canal. The Ambassador is "less optimistic" about the condition at the front, expects the early fall of Leningrad, is surprised the diplomatic corps is still in Moscow and reports the British are not allowed to visit the front. Average Turk favors Germany more than Russia; however, he wants the German-Russian war to be a long hard fight, a reliable source reports.

Intensified anti-American propaganda in Italy has been ordered by Berlin. Possible reason "a preliminary of 'forthcoming events,'" Phillips reports.

VITTORIO VENETO (Italian Battleship 35,000 tons) "on the run" between Italian ports to escape bombing raids, it is reported.

Kirk disagrees with the War Department, believes reinforcements in Egypt "absolutely required" and urges continued shipments of needed materials. He reports the Suez Canal only partially open as of 16 July.

Japanese expected to move soon. Japanese demands for bases in Indo-China and attack on Burma feared it is reported.

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BULLETIN
NAVY DEPARTMENT.
21 July, 1941

Total Enlisted Strength, 19 July 249,320

<u>Fleet Reservists</u> (Enlisted) on Active Duty	9,278
<u>Other Reservists</u> " " " "	30,076
<u>Retired Men</u> " " " "	<u>1,006</u>

Total..... 40,360

Aggregate Enlistments (last 24 Hours) 231

Aggregate Discharges " " " " 98

Gain 133

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of July 19.

<u>Character of Duty</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Temp. Ashore or Afloat</u>	<u>Total</u>
<u>Line Officers</u>				
Organized Reserve	327	438	-	765
V-G Officers	1870	2870	2	4742
DE-V(S), D-V(S)&E-V(S)	1540	159	2	1701
DE-F Officers	2	-	-	2
Communication Officers	587	94	-	681
I-V(S) Officers	825	4	4	833
O-V(S) Officers	393	-	-	393
L-V(S) Officers	33	-	-	33
Probationary Officers (E-D-O)	42	34	76	152
Merchant Marine	99	755	41	895
<u>Staff Officers</u>				
CEC-V(S) Officers	575	-	-	575
Sup. Corps. Officers	988	114	16	1118
Med. & Dental Officers	1258	125	3	1386
CC-V Officers	87	1	-	88
CHC-V Officers	56	2	-	58
Aviation Officers (Instr)	1038	3	-	1041
(Does not include A-V(N))				
Retired Officers	<u>27</u>	<u>2</u>	<u>-</u>	<u>29</u>
Total	9747	4601	144	14492

Shall the United States Have A Separate Air Force?

Benjamin Turner, World War I pilot, president of the National Aeronautics Council, says: "A separate air force is a justifiable demand. It is the only way to save the world, and to protect our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



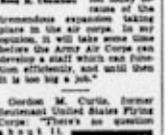
Benjamin Turner

Charles G. Brewer, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Charles G. Brewer

Ronald H. O'Brien, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Ronald H. O'Brien

Need M. Chambers, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Need M. Chambers

George M. Curtis, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."

Major R. G. Erwin, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Major R. G. Erwin

Col. David L. Lamb, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Col. David L. Lamb

Adolph Beckstrom, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Adolph Beckstrom

Clayton J. Knight, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Clayton J. Knight

John W. Johnson, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."

The question of an independent Air Corps for the United States is one that is troubling the Military Committee of the Senate and House. The Senate Military Affairs Committee has agreed to hold hearings on Senator McCarran's bill to create an independent Department of Aviation.

The Senators and Representatives are seeking expert advice on the problem—mainly from admirals, generals, and Government dignitaries, all of whom are judged about by tradition and restriction of rank and by personal considerations. Many of these experts will no doubt testify when the hearing begins. Senator Reynolds, committee chairman, promises to begin the hearing as soon as the draft extension controversy is settled.

But there is another group of men well qualified to give an answer to the query. They are former members of the Army and Navy flying forces, chiefly those who served in the last war. Some of these veterans could not answer the question because of the delicacy of their positions in relation to various Government agencies, but others, not placed where their necks are sticking out, are ready and definite with replies.

Herewith their answers: BY JIMMY JEMALL
The Question—Should the U. S. Have a Separate Air Force?
The Answer—Asked of men who flew in World War I.

Cr Caldwell, Aero Digest, editor, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



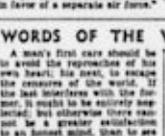
Cr Caldwell

Former Lt. Col. Condr. John W. Johnson, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



John W. Johnson

Major M. E. Lee, West Coast, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Major M. E. Lee

Major Elmer Hasdell, manager of New York City's Olympic stadium, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



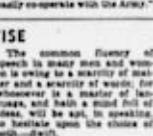
Major Elmer Hasdell

Deane Deak, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Deane Deak

Backwith Harris, World War I pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



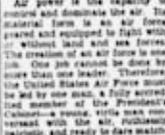
Backwith Harris

at Williams, the former Navy pilot, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Williams

Ray Coleman, 1880s Day Squadron, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



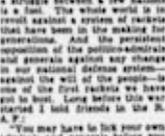
Ray Coleman

Three Engines of Defense, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



Three Engines of Defense

One Kicked My Head Out, says: "I am a strong advocate of a separate air force. I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



One Kicked My Head Out

United States—said in Congress, and to be served posthumously. American army in air power—said aloud: "I believe that the United States should have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country. We must have a separate air force in order to be able to defend our country."



United States representative

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Ray Coleman

WORDS OF THE WISE
The common flattery of speech is many men and women is owing to a variety of material and a variety of words, whoever is a master of language, he will be a master of success. It will be apt, in speaking, to dwell upon the choice of both.—Bacon
There are two kinds of contentment, the first is to be content with what one has, the second is to be content with what one is. The first is a sign of a good man, the second is a sign of a good woman.—Ruskin

DIVISION OF
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New York City
Circ. 363,684

DATE _____

JUL 20 1941

Congress Bloc Getting Ready For Showdown

Dozen Bills and Resolutions Reflect Public Interest in Issue Mitchell Began

Agreed to the Herald Tribune
WASHINGTON, July 18.—The battle that the late Sen. Gen. William Mitchell started in reaching a climax. About a dozen bills and resolutions have been introduced in Congress this session designed to separate the air force from the Army and Navy, and throughout the nation there is unprecedented agitation in the cause. A potent group of legislators is preparing for a showdown.

The Royal Air Force's spectacular defense of Great Britain and the German Luftwaffe's wild trail through the air of Poland, Holland, Flanders, Greece and Crete have caused alarm. Successful air attacks on warships have aroused more doubts.

Major Gen. H. H. Arnold, deputy chief of staff for air, the top air officer of the Army, and Col. Ira C. Lippitt have written a book, "Winning Efforts," in which they say confusion and delay would result if a sudden change in the air force setup were made.

Argument Challenged
Now is a bad time for the change, reply some on the other side, but not as bad as war time would be. If the change must be made, they add, it should be made immediately.

Most of the bills would provide a new Department for Air, with a Secretary for Air in the President's Cabinet. Some of those leave the Navy air forces with the Navy. The bill by Senator Pat McCarran, Democrat, of Nevada, leaves the Navy and all other air forces under one department. Some bills provide that all civil air functions be lodged in the Air Department, although Senator McCarran's bill does not include this.

Senator McCarran's bill would give the President power to assign needed air forces to the Army or Navy for specific purposes, and most revolutionary proposal of all, it provides that Army or Navy forces may be similarly attached to the air force. Top officers would have the same rank as top Army and Navy officers.

Some of the bills, including one by Senator Bennett Champ Clark, Democrat, of Missouri, provide for a Department of National Defense, with a unified military command under which there would be separate air, land and sea commands. This would assure complete coordination and cooperation of all forces, say the proponents. Representative Melvin J. Maas, Republican, of Minnesota, who favors a unified command, also would stipulate that this over-all commander be primarily an aviator.

Two Main Issues Appear

Amid the multitude of arguments on each side, two issues obviously are at the heart of the question: Are the air forces developing now as well as they would if separated? Are air forces superior to sea forces and to land forces?

The separatists say that the experiences abroad in the present war prove air power to be paramount. The stand-patters say that what has happened in Europe only proves that the air arm is essential to the fighting forces but not in itself sufficient to achieve victory.

The Luftwaffe didn't conquer Crete, says Representative Maas. It paved the way and provided transportation, but the infantry made the capture. Representative Maas is a marine aviator himself, now on active duty.

The German set-up is regarded by some officers as similar to that of the United States. The Luftwaffe is free to organize and train its force and develop its planes without control. A list of German military titles, however, discloses separate commanders in chief for army, air and navy.

The separatists reply that the United States air forces here are not free to develop their own planes and planes. The top commanders in the Army and Navy are not aviators, the highest-ranking aviator must report to land sea fighters and take orders from them.

Point to Narvik

The experience of the British, say the officers in favor of the status quo, proves that the Navy, at least, must retain its air force intact. The Navy air arm is a necessary component of the fleet for patrolling, bombing and observation. To borrow land planes for this work is to invite disaster. Our representative points to Narvik. There, it is said, had flyers of the U. S. A. P., lacking the naval training to recognize ships of all nationalities and to understand naval operations, unintentionally bombed some of the British warships.

The status should have an organization of aviators, trained from the start to fight in the air, solely responsible for procuring planes and training pilots, free to develop the strategy and tactics peculiar to the air, with their own system of ranking, say the separatists.

Army Set-Up Debated

The Army air force is an autonomous unit now, say some of the officers, it gradually having received full charge of procurement, training and operations. The chief of staff, while having nominal authority over all Army forces, never interferes with the commands of the air force, they say. To this the opponents reply that this is probably true but might not be so if the high command were changed. In the Navy, they say, aviators not only have a free hand but also are having a lot to say about the control of warships.

The top officers of the air force should be primarily aviators, not Annapolis and West Point graduates, say the advocates of a change.

The reply is that the top command consists of veteran aviators. Rear Admiral J. H. Tower, chief of the Bureau of Aeronautics, learned to fly in 1911. Gen. Arnold took up flying in the same year, four years after graduating from West Point. Maj. Gen. George H. Brett, in charge of air Corps procurement and training, became an aviator in 1913. Lieut. Gen. Delos C. Emmons, commanding general of the U. S. Q. air force, the striking force, took to the air in 1917.

Confidential

BULLETIN
18 July, 1941

Restrictions on British shipping north of Hong Kong and Japanese troops "move north" is reported from a reliable source in Shanghai.

Movement of German Soldiers south through Italy has been resumed, with an estimated 500 nightly passing through Rome. These troops believed to be concentrating in Messina (Sicily) or Reggio-Calabria (Italy, on Strait of Messina.)

Appalling shortage of food in Greece is expected to lead to an uprising which may assume serious proportions. Reconquest of Greece and Crete possible after Nazis "turn over completely" to Italians, Phillips reports.

The Port of Suez is practically at a standstill with the laborers "fleeing."

Germany believed ready to assist France militarily in future colonial difficulties, Morris reports.

Local Nazis to blow up United States ships in event of United States - German hostilities is reported from reliable source in Bogota, Columbia, South America.

Navy requested by Commandant of the Eleventh Naval District not to give in to demands made by labor leaders at

2. the Fall Brook Ammunition Depot, (Fall Brook, California.)

~~Depot~~ to use marines to protect workers desiring to work.

Weather reports broadcast uncoded to the fleet are of the greatest value to the Axis, responsible expert on staff of Carnegie Institution is reported to believe. Reichelderfer, head of Weather Bureau said to be "burnt up" about it. The question is asked why can't weather reports be sent in code. Radioactive intensity reports having a bearing on variety of fields including radio are treated confidentially by Australia and Canada but are sent uncoded to the Carnegie Institution from Alaska.

An inspection of the Naval Research Laboratory at the invitation of Admiral Bowen shows continued progress on RADAR, which is fascinating and intriguing in operation.

RADAR, underwater sound detection, and observation are forcing submarines to stay submerged, thereby not being able to recharge their batteries; leave the convoy area under patrol; or go home. Undoubtedly this, coupled with the increased numbers of PBV patrol planes reaching the British, is a major contributing factor in the drastic drop in shipping losses since June. Increased effectiveness can be expected as more Radar equipment is installed in more U.S.N. ships and aircraft.

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RADAR has real possibilities for use in low altitude observation on blimps, Captain Rosendahl reports.

Dr. Stevenson, of the Sound Division reports the combination of under water sound detection and radar increases effectiveness of submarine detection. Radar has the greatest range. sound is effective up to $1\frac{1}{2}$ miles (3000 yds.) Once a submarine is picked up on sound it can be followed to about 200 yards before it gets off the beam. The laboratory is working on a method to "tilt" the beam so as to determine at what depth the depth-charge should be set (charge must come within 25 feet to wreck a submarine.)

This device is well out of the research stage with one set in operation. It will increase the accuracy about 5 to 1.

The magnetic mine is so badly licked the Germans are not even laying them except as a nuisance. The laboratory has projects on (1) development of an acoustical mine for the Bureau of Ordnance and (2) a mine sweeping device for acoustical mines.

British underwater shields, An acoustical submerged shield to shut out ships' motor noise and turbulence at high speed, are in the experimental stage. The laboratory recommends they be placed on 60 old destroyers and become regular equipment on all new destroyers. These shields

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enable a destroyer to detect submarines more effectively when steaming at higher speeds.

Laboratory has major project in the development of an oxygen heavy chemical which takes up CO and gives off oxygen, for high flying and submarine use. The Potassium Chemical Company of New York supplied the only available "pure" chemical suitable for this purpose, in spite of a strike, for \$1 per car load. When development is completed, the mask will completely isolate the wearer from the atmosphere, thereby eliminating concern over any kind of gas and the danger from injury or fire if an oxygen tank in an airplane is hit by bullets. It is felt there are many commercial and medical applications for this development if and when released publicly.

Facsimile, still in experimental stage, holds real promise for transmission of aerial photographs, Captain Rosendahl reports.

Germans are able to produce 3,000,000 tons of synthetic gasoline per annum and have a six months' supply (on a war basis) on hand it is reported.

Motor vehicles caused more deaths in Navy during the past five years than any other cause, drownings second, the Bureau of Medicine and Surgery reports.

Confidential

BULLETIN
17 July, 1941

70 Marine airplanes will leave Quantico about 25 July enroute to Puerto Rico via Cuba and Santo Domingo to take part in the first joint training program of the Army and Navy.

British and American Military Attaches refused permission to visit Russian front. They are convinced that the refusal is due to the "seriousness" of the situation, Steinhardt reports.

30 baby type submarines reported being completed monthly by Germany. (Information here is that there are no 'baby' submarines and that these probably are boats of PT-Type.)

Leahy reports that the general "impression" in Vichy is that Weygand is to return to Africa vested with greater authority and stronger than before. He will contact "Murphy" when he returns to his post.

Turkey reported "inclined" to permit British to transit its territory enroute from Mosul (Iraq) to Triflis (E. Georgian city on Kura River - Transcaucasian Federation). Gunther was "surprised" to hear.

Convoys EC43 and EC44 were unsuccessfully attacked by air craft the night of 11-12 July.

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The Civilian Administration of the Nazis is "unbelievably corrupt" and "many German Officers can be bribed" it is reported.

Japanese have adopted censorship of cables and telegraphs.

Japanese lines have discontinued acceptance of articles for transport to the Eastern seaboard of the United States,

Crew reports.

Request for material for Russian Destroyers in Vladivostok turned down some time ago by United States Navy. Department is now prepared to withdraw its objection to the transfer of the material subject to the usual restrictions on protecting classified or secret material.

Antorg material apparently piled up on wharves in United States for lack of export license from General Maxwell.

Department of States' policy on this question not known.

The Hydrographer reports receipt via the State Department of the Russian communique declaring certain waters of the Sea of Japan and other waters dangerous for the navigation of ships (16 areas are covered in detail.)

J. W. Barker, former Dean of Engineering at Columbia, now head of Division of Training Liaison and Coordination for Civilian Personnel is considering ways and means of supplying properly trained aviation personnel needed by the Bu-

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reau of Aeronautics as this first major problem since the Division was established under Assistant Secretary Bard. Attention is being given to the establishment of an aviation trade school to train civilian instructors thereby releasing officer personnel for active duty. The Office of Education is cooperating.

Supplemental agreement executed for \$66,413,600 for work in the Western Pacific covering expansion of facilities in the Philippine Islands, Samoa and Guam; and in the 14th District additional aviation facilities; improvement of channels and harbors; housing and messing facilities for crews of ships undergoing overhaul; bombproofing communication centers; additional underground fuel storage facilities; and development of hospital facilities is reported from Yards and Docks.

Letters "allegedly" written by Wilhelm Wirtz "alleged" Nazi Party Chief in Mexico, if authentic furnish "seemingly positive proof" of: (1) Spanish FALANGE and Nazis hand and glove in Mexico (2) Nazis collecting all kinds of foreign currency, with Argentina pesos particularly sought for subversive activities (3) Nazis dominate Mexican "Pro Neutrality Committee" (4) Nazis have ties with Mexican Army (5) Nazis subsidizing certain newspapers and

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control the press of Sinarquistas (6) Nazis talk "tough" to Chief of Police of Mexico, D.F. (7) Bayer Company, a well known German Commercial Firm, through its agents carries out "delicate missions" throughout the world it is reported from a reliable source.

Six French torpedo planes have arrived at Dakar as of 13 July. The Jules Verne submarine tender (5,747 tons) is stationed at Dakar as are five "600-ton" submarines: the ATLANTE, SULTAN, OREADE, PSYCHE and VESTALE. Also there are four "1500-ton" submarines based there: the ACTEON, FRESNAL, PASCAL and POINCARÉ. The MALIN (destroyer) has returned from Casablanca (Morocco, Africa.)

Vichy French being praised by the Nazis in what is believed to be an attempt to tighten their control over British policy toward the British, Morris reports.

All Commercial Communication traffic between Iceland and the United States is being routed via London.

Secretary Knox reports receiving a letter from Fred Fowler former mechanic, Gaffney, S. C. which says in part: "I have been very deeply grieved over my brother's death, who was chief mechanic on the O-9. I want to offer the Navy Department my service, to take my brother's place, in any capacity the Department may place me."

Confidential

BULLETIN
15, July, 1941

Leahy reports Nazis are displaying "considerable anxiety" over the possibility that either the Americans or the British may move on Dakar. The reason for this apprehension is said to lie in the "surprise" occupation of Iceland by the United States.

Germans are preparing for a heavy drive in the near future it is believed.

Leahy also reports the Nazis are finding their campaign against the U.S.S.R. more difficult than they expected; it is now expected to last into the winter. The Soviet 90-ton tanks have turned out to be more effective than anticipated.

There are practically no German troops in France it is reported from an excellent source.

Soviet government has "definitely decided" to remain in Moscow it is reported.

SCHER underway 10 July steering Southwest at slow speed apparently exercising. TISPIE HIPPER and LUTZOW remain at Kiel.

Japanese Army calls up considerable numbers of reserves.

They have placed a ban on troop movements. A reliable source in Tokyo reports this movement is considered for the purpose of enlarging forces in Manchuria.

Japan is considering the seizure of more Indo-Chinese bases Steinhardt reports being advised by the British.

International Petroleum Company has been directed to withhold fuel oil deliveries to Nipponese ships it is reported from a reliable source in Lima (Peru.)

Air raids on Palermo Naples very successful it is reported reliably. Port badly damaged, large convoy hit with 100 dead 9 July, air field being used by Germans, hit, one cruiser badly hit, ammunition car hit at railroad station wounding many German soldiers on the train.

"Raids should be continued every day as the Naples raids had enormous moral effect in Rome."

Gasoline is very scarce all over Italy it is reported.

A large fire due to sabotage started at railway yards abreast Alalittoria Rome, Italy airport on 8 July. Investigation of fire unexpectedly uncovered wholesale looting of airfield oil supplies it is reported reliably.

Bombs set to explode at time Mussolini was scheduled to visit the Forum exploded prematurely or were discovered

it is reported from a reliable source.

Italian preparations are being made for an attack on Malta (Island in Mediterranean) date unknown but understand it will be finished before 8 September unconfirmed reports indicate. German participation not indicated. Italian paratroops are being called to duty and there are reports of Italian troop concentration at LaSpezia it is reported from a reliable source.

British protest transit of Straits (in and out of the Black Sea) by Italian naval tankers TARVISIO (10,915 Tons) and URANO (10,550 Tons) on grounds they are registered as auxiliary vessels of the Italian Navy. Convoy HX 134 arrived London complete including 18 tankers, 2 refrigerated, 8 grain, 3 sugar and 2 steel.

Some American ships using radio in Red Sea to advise prospective arrivals, etc. British Naval authorities in Columbia Ceylon are concerned lest such action may occasion German mine laying and may facilitate enemy attack elsewhere in potential raider areas. It is recommended that American ships should try to keep radio silence at least on 500 KCS (the emergency frequency.) Naval Medical Center at Bethesda, Maryland, expected to

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be finished the latter part of October. Construction of the \$4,850,000 Naval Medical Center was begun in 1940.

Brass, Steel and Aluminin for 20 mm and 40 mm ammunition are Bureau of Ordnance's most critical raw material problems at the moment.

The supply of TNT will remain critical until new facilities of the Army Ordnance Department are in production in sufficient quantity to release to the Navy the amounts required. The Bureau's requirement for TNT is greatly in excess of present supply and will reach 150,000 pounds a day under war conditions.

Naval Academy. The two permanent granite-faced wings for the Naval Academy dormitory spaces have been built in record time and will be ready for the fall classes at the opening of the Academy. The Bureau of Yards and Docks set the time for September 15, and it is probable that the general contractor will complete the work approximately one month ahead of time. The contract was signed in October 1940, it is reported.

United States drivers keep to right, British left, Icelanders in the middle, it is reported from Iceland.

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BULLETIN FOR THE PRESIDENT Navy Department, 14 July, 1941.

Total Enlisted Strength, 12 July, 247,628

<u>Fleet Reservists</u> (Enlisted) on Active Duty	9,278
<u>Other Reservists</u> " " " "	29,526
<u>Retired Men</u> " " " "	1,006
Total	39,810

<u>Aggregate Enlistments</u> (last 24 hours)	348
<u>Aggregate Discharges</u> " " " "	80
Gain	268

Naval Reserve Officers ordered to active duty for enforcement of neutrality and the strengthening of the National Defense within the limits of Peace-time authorities, as of July 12.

<u>Character of Duty</u>	<u>Ashore</u>	<u>Afloat</u>	<u>Temp. Ashore or Afloat</u>	<u>Total</u>
<u>Line Officers</u>				
Organized Reserve	350	433	-	783
V-G Officers	1896	2809	2	4707
DE-V(S), D-V(S) & E-V(S)	1509	154	2	1665
DE-F Officers	2	-	-	2
Communication Officers	579	93	-	672
I-V (S) Officers	795	1	4	800
O-V (S) Officers	400	-	-	400
L-V (S) Officers	33	-	-	33
Probationary Officers (E-D-O)	42	33	34	109
Merchant Marine	95	733	37	865
<u>Staff Officers</u>				
CNC-V (S) Officers	565	-	-	565
Sup Corps Officers	979	109	3	1091
Med & Dental Officers	1237	114	3	1354
CC-V Officers	86	1	2	89
CNC-V Officers	57	-	-	57
Aviation Officers (Instr)	987	3	-	990
Retired Officers	25	2	-	27
Total	9637	4485	87	14209

~~Confidential~~ *K file*

BULLETIN FOR THE PRESIDENT
Navy Department, 14 July, 1941.

The Nazis have succeeded in their attempts to induce the Japanese to intervene and make a surprise attack at some point or other, Harrison reports from Bern.

Large movements of Japanese war supplies to Manchuria are reported by British to a reliable source.

30 Japanese vessels of O.S.K. and 35 of N.Y.K. Lines have been withdrawn from regular runs to operate under the War Department effective 25 July a usually reliable source connected with Japanese shipping reports.

The Nazis High Command has now revised its original estimate of the duration of the Russian campaign. The original estimate was 90 days, but this has now been revised so as to extend to the coming winter, Cole reports from Algiers on basis of statement from General Weygand's Military Intelligence Officer.

Leningrad will probably be the next main objective of the Germans, Steinhardt reports.

German Shipments of coal to Italy appear to have been suspended either as a result of effectiveness of R.A.F. or because the Nazis have heard of the Italian request calling for a negotiated peace it is reported.

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Nazis ultimate purpose is to destroy France, accumulated evidence indicates; hatred of Germans is growing. France is tottering on the edge of serious economic disintegration which may "quite possibly" be attended by bloodshed and violence in the course of the coming winter. Occupied France has sufficient coal for only 8 days domestic heating requirements. Supply of automobile gasoline in unoccupied France will be exhausted 1 August, while fuel oil will be used up by 1 September, it is reported.

Communist "line" in United States henceforth will be "all aid to Britain, aid to Russia, for convoys for an American expeditionary force." There will be no agitation for convoys but as soon as American ships enter the war zone in large numbers, the seamen "should" demand protection it is reported reliably.

General Dentz absolutely lacking in sincerity, with regard to everything he says and does and is only stalling for time in the hope that the Nazis will save him, Engert reports.

Suez improperly equipped and entirely inadequate for the handling of big shipments of munitions from America it is reported from a reliable source. In the harbor there are 100 vessels. Statement by the British that they are in urgent need of ships may be correct but a great deal of

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valuable time is lost because the ships must stay in harbor while they are waiting around to unload. Apparently the unloading of ports is kept entirely in the hands of non-commissioned officers.

No bottleneck in shipbuilding facilities. We are using every facility in the country suitable for our needs. There are vacant shipbuilding facilities for smaller vessels (200 feet and below) which are being used by Navy as necessity and authorization arises. The real bottleneck in shipbuilding is materials not labor or shipbuilding facilities. All available labor is being used and Navy welcomes additional sources for training in shipbuilding courses, it is reported by the Bureau of Ships.

Strikes at Ryerson Steel Co., Detroit and Sealed Power Corp., Muskegon, Mich. are the two acute spots now. As of 12 July, six strike cases were settled and 17 strike cases are still open. Strikes are pending at American Car and Foundry Co., Chicago, Ill.; Basca Mfg. Co., Indianapolis, Ind.; Essex Specialty Co., Newark, N.J. and Goodrich Electric Co., Chicago, Ill.

Peruvians have little desire for war and are extremely calm considering the situation. They seem determined not to give up any territory a reliable source reports.

4.

The Surgeon General is taking up with Secretary the question of arrangements for a Red Cross Field Director and personnel to go to Iceland. Consideration also is being given to hospitalization of British Naval Personnel. All U.S.N. Officers reporting for duty are being requested to report to the dispensary in order to have health records checked. Admiral Williams reports steps are being taken to increase bus facilities to the Department for employees and to supply transportation to the new Arlington Building. Consideration is being given to moving the USMC, Hydrographic Office and the Bureau of Navigation in their entirety 30 September to Arlington Building rather than spreading this move piecemeal among various Bureaus.

A plan is being considered to move the Bureau of Medicine and the Bureau of Supplies and Accounts to a new building to be built on the Naval Hospital grounds if approval can be secured from the Federal Works Administration, the Secretary of Interior and the Fine Arts Commission to erect a temporary, poured concrete building there prior to 1 January 1942. In the 2V-7 Reserve Midshipmen Training Program 4,868 applicants have been examined and 1,182 accepted for training to begin at the expiration of the present training program about the middle of September.

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BULLETIN FOR THE PRESIDENT.
Navy Department, 11 July, 1941.

Battleship von TIRPITZ (35,000 tons) reported sunk in the Kiel Canal (Prussia) as a result of a British raid during this spring. She was so badly damaged as to prevent raising and blocks canal against passage of ships of considerable tonnage. The report is "unconfirmed." Same source reports to Naval representative in Rome 31 submarines, building ways and docks destroyed or badly damaged at Wilhelmshaven in British spring air raids.

French requisition Norwegian, Danish ships as follows:

Ship	Tonnage	New Name	Port
ORIA (Nor.)	2127	SAINTE JULIENNE	Port Lyautey
KARI (Nor)	1925	SAINTE COLETTE	Port Lyautey
BROTT (Nor)	1583	SAINTE MONIQUE	Safe
TANA (Nor)	5583	SAINTE SIMONE	Casablanca
KNUDSEN (Dan.)	not listed	unreported	Oran
BIRGIT (Dan)	1971	SAINT ETIENNE	Port Lyautey
VIOLA (Dan.)	1595	SAINT DENIS	Casablanca
JOHANNES- MERSK (Dan.)	1899	SAINTE GISELLE	Rabat

India's war effort is far broader and more successful than during the last war's corresponding period. The potentialities of the Navy and Air Force are good if they can obtain adequate equipment. Main obstacles to the war effort are the shortage of shipping space and the shortage