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THE WAR THIS WEEK

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For the President

Office of Strategic Services

THE WAR THIS WEEK

The German offensive in southern Russia has now split into two distinct operations—a drive down the Don toward Stalingrad, and an encirclement of Rostov from three sides. Meanwhile, in the face of strong Soviet counterattacks, the Germans have with difficulty held the northern anchor of the offensive, the Don bridgehead at Voronezh. Despite the sweeping character of Nazi successes in general, some observers believe that the Germans may soon bring the first phase of the campaign to a close in the interests of consolidation. Time is a critical factor for both sides, and the German offensive has now consumed more than a month of the fighting season.

The general view persists that in Egypt Rommel must shortly resume the offensive or move back to a position where his supply routes will be less vulnerable. Latest press reports indicate a fresh British attack which may impel him to adopt the latter course.

Advices from Vichy portray Laval as losing ground both at home and with the Germans. Our chargé d'affaires at Vichy believes that German action in support of Doriot or an openly Nazi orientation of the Laval government may soon precipitate a crisis in the relations of France and the United States. Spanish troops are moving to the Canaries and Morocco, it is reported, and soon nearly half of the Spanish army will be overseas. On the other hand, Franco's most recent speech made no fresh promises to the Axis.

In the Far East, the Japanese have been withdrawing troops and yielding some previously occupied areas in the Chekiang theatre; and they have been developing their positions in the western Aleutians at heavy cost. In Manchuria there is no significant fresh evidence of Japanese preparations, but military authorities now believe that an attack in eastern Siberia in the next few weeks is likely. In India, finally, Nehru has expounded the Wardha resolution as demanding an immediate extrusion of British rule, after which the new India would welcome the aid of Allied armed forces.

Rostov Faces Encirclement

With the Russian admission of the loss of Voroshilovgrad, it has become apparent that the Nazis are already closing in on Rostov from the north and east. One attack has probably pushed south from Millerovo to Kamensk, where the main Moscow-Rostov railway crosses the Donets river. Moscow now acknowledges that this thrust has reached the area of Novocherkassk, only 20 miles from Rostov. Farther east, another drive has apparently turned south (perhaps at Migulinsk) and pushed across the Rostov–Likhaya–Stalingrad railway, striking the Don near Tsimlyansk, far below the "great bend", and above the point where it is joined by the Donets. This last operation has probably cut off the defenders of Rostov from direct rail communication with Stalingrad. Furthermore, the Germans now maintain that advance elements of this attack have crossed the lower Don and turned west toward Rostov.

Meantime, the *Luftwaffe* has been bombing Rostov from the west, and, according to German reports, has destroyed the bridges over the Don. Simultaneous ground attacks

from the west—one toward Rostov and one toward Likhaya (largely consisting of Italian troops)—now threaten to cut the bulk of Timoshenko's army into three parts. Two of these groups, those defending the triangle between the lower Don, the lower Donets, and the Rostov-Likhaya railway, have faced encirclement for several days now. In fact, the reported Soviet landing behind the German lines east of Mariupol probably represented an effort to relieve Nazi pressure on this triangle. Some of its defenders may already have withdrawn to safety. The third group, the troops south of the Don, will doubtless retreat southward to join the Army of the Caucasus—unless the Germans move sufficient forces across the river to intercept them from the east.

The Nazi Timetable

"Slowed only by rainfalls," the eastern phase of the Nazi offensive may now have progressed down the Don as far as Yelansk, against what appears to be fairly weak Russian resistance. Some observers believe that the Germans will now drive straight for Stalingrad without waiting for the fall of Rostov. Others maintain that difficulties of supply will necessitate a pause for consolidation and regroupment before the Nazis try to establish a bridgehead at the great bend of the Don.

In any case there are certain signs that the German offensive may be slowing. Allied air observers suggest that the *Luftwaffe* may now be experiencing difficulty in moving forward with the main offensive. Russian reports of the number of planes shot down during the week of July 12–18 confirm this impression. During this period, the Soviet communiqués claimed the destruction of 217 German planes, admitting the loss of 136 Russian aircraft. Compared to

Soviet claims for the previous week, these figures indicate a decline in activity of about 50 percent.

The reduction of Rostov itself may be a difficult operation, and any delay in the progress of the German offensive can scarcely fail to be of importance in a campaign where time and space are the prime factors. From the beginning of their large-scale offensive—June 22—the Nazis had about five months in which they might hope to complete the destruction of the Red Army. Already they have spent one month on the current phase of their offensive—a phase that may not be over for many days. Moreover, despite the success of the German holding attack around Rzhev, there has not yet been any indication of a major offensive anywhere north of the Kursk region. In other words, about two-thirds of the Rostov-Leningrad front is inactive. Yet Allied observers are almost unanimous in maintaining that the destruction of the Russian army in the Moscow sector—estimated as including perhaps 40 percent of the Soviet forces on the Eastern front—would be the only way for the invaders to reach a clearcut decision this year.

The Russian Position

Finally, there is some evidence that up to now the Russians have not been losing men and equipment at the same critical rate as in the great German encirclements of last summer and autumn. According to one British source, the Soviet armies have followed a new policy of withdrawal after a relatively short period of active fighting. Such a point of view finds confirmation in the comparatively small number of prisoners that the Germans are claiming. Of course a successful encirclement at Rostov would entirely alter this picture. And the fall of Stalingrad would severely limit the reinforcements that the Russians could send to the extreme south.

Even the capture of Stalingrad, however, might not entirely cut off Russian rail communication with the Caucasus. A reliable report suggests that the Soviets have completed a railroad running along the west shore of the Caspian Sea from Kizlyar to Astrakhan. Here, the report states, there is a bridge over the Volga which links the new railroad with a line running east of the river to join the main Russian net at Saratov.

Action on the Egyptian Front

According to press reports a battle is now under way in Egypt in which the British are striking along all three sectors of the front. This attack is still in its preliminary stages, but there is the possibility that it may develop into a major action.

Prior to this attack the desert stalemate had continued. Both sides had established front line defenses behind which they withdrew the bulk of their armor, and the week's activity consisted largely of patrols, raids, testing actions, and sharp fighting for the control of ridges in the northern and central sectors. Contrary to press reports, last week's fighting in the central sector was not a major engagement. Observers note that both sides directed their attacks against opposing infantry, the British perhaps hoping to force Rommel to withdraw his armor by whittling down its infantry support. More than 4,000 enemy prisoners were taken during the week following July 14.

Allied air forces have been giving close and effective support to ground operations, in addition to continuing their attacks on enemy supply lines, ports, and airdromes. Tobruk has been especially heavily bombed. Although targets have recently been more dispersed, it is stated that in one day Allied aircraft destroyed 23 tanks and 59 artillery pieces.

Light units of the Royal Navy have three times returned to shell Matruh, which Rommel is using as a forward depot supplied by coastal shipping. During June there was a marked increase in the rate of sinking of shipping going between Italy and North Africa.

Opinion as to the Next Turn in the Battle

Military observers have felt that the stalemate could not continue indefinitely, that probably within a fortnight Rommel would either strike or be forced to fall back to positions where his supply lines are less exposed. The key question is one of reinforcements. Auchinleck has received and is expecting further troops and armored equipment, and is believed to be numerically superior in men, tanks, guns, and planes.

The Axis has probably been resting and regrouping its forces behind its forward lines. There is some doubt as to whether large German air or land reinforcements are available for Rommel, in view of the unexpectedness of his advance into Egypt and the size of German commitments in Russia. A limiting factor on air reinforcements may also be lack of fuel and servicing facilities in western Egypt. It is believed, however, that Rommel has received some air replacements, and that several thousand Germans will have been flown to Egypt by the end of July, in addition to Italian reinforcements arriving by boat. Rommel's supplies appear to be adequate, and his efficient tank recovery system may have established a tank reserve.

Reports of Axis troops moving into the Greco-Aegean area persist, and some observers continue to speculate about an Axis attack on Auchinleck's weakened Syrian flank. No signs of immediate preparations for such an assault are evident, however.

Near Eastern Tensions

The Near East continues to be relatively quiet. Observers feel that the Egyptian king and his people will continue a cautious policy pending a decisive turn in the battle. In the Lebanon there have been minor bread riots, apparently instigated either by local interests or outside agents. At the same time the government of Iran is reported to be frantically trying to locate wheat supplies to tide over the critical period between now and August harvests. Meanwhile Rashid Ali, the exiled premier of Iraq, was received by Hitler and Ribbentrop, according to a DNB despatch.

In Turkey it is expected that Numan Bey, who has been very cordial to American representatives at Ankara, is to be appointed foreign minister, as soon as he has been elected a deputy, as the constitution requires. The Turkish government, also facing a critical wheat shortage, has raised by 50 percent the prices it will pay for cereals in 1942. Shipments of wheat are to be given first priority, even ahead of war material. The Nazis are reported to have promised Turkey some badly needed rolling stock and locomotives, despite Germany's own tight transport situation.

Laval Loses Ground

Laval has lost considerable ground in recent weeks according to the American chargé d'affaires at Vichy. While alienating elements in France by his expressions of hope for a German victory, Laval has in large measure failed to satisfy Nazi demands for collaboration. The German army and the SS are said to be backing Doriot. This situation has already brought about a new understanding between Laval and Déat, whose *Rassemblement National Populaire* now supports Laval and may join Laval's Legion. Our source feels that a crisis—even a rupture—in Franco-American

relations may shortly be precipitated, either by German action in support of Doriot, or by an openly Nazi orientation of the present government, springing from Laval's tenacious desire for power. Continued German victories will tend to accelerate this tendency in France.

One of the principal German complaints is Laval's failure to produce more than about 20,000 workers in the current campaign (despite larger Vichy claims to the contrary). Labor conscription appears inevitable and Laval is said to be preparing already to draft some *affectés spéciaux*.

Minority groups in France are being made the scapegoats of Laval's policy of collaboration. He seems to be discussing with the Nazis the idea of sending as many as 100,000 Spanish Republican refugees from France to work in Germany; and many of those who have already departed were unskilled Czechs, Poles, Belgians, or North Africans—only a small fraction consisting of skilled French workers. Renewed demands on the part of Rome and Berlin for the return of political refugees from France are reported—demands to some of which Laval has already yielded. At the same time, the situation of the Jews in France is becoming worse each day. New restrictions against their appearance in public places have been followed, according to one informant, by an order that some 15,000 Jewish males be rounded up for work in eastern Poland and western Russia.

Bastille Day brought forth widespread demonstrations throughout the unoccupied zone. In Nice it is reported that about 4,000 participated by singing the *Marseillaise* and shouting "vive de Gaulle, vive les États Unis, vive l'Angleterre," while from other cities came word of demonstrations with great crowds shouting "down with Doriot the traitor" and "down with Laval," according to unconfirmed reports.

German Influence in French North Africa

In Casablanca control of commercial vessels arriving in the port has been initiated by a German Commission, whose "arbitrary" manner in exercising the control is reported to be causing considerable annoyance to ship officers. Vichy defended its action in meeting the German demands for this commission by stating that it wished to avoid any difficulties with Berlin that might imperil the "important" economic agreement with the United States. At the same time material drawn from intercepted letters reveals increasingly close control of all movements in North Africa by Axis personnel, whose numbers seem to be steadily growing.

Spain and Portugal

Reports indicate that Spain is planning to send at least 25,000 troops to the Canaries and Morocco, of whom more than 1,000 have already left. When all present troop movements are completed, almost half of the Spanish army will be overseas. At least one observer believes that the program is German inspired, for the purpose of closing the Straits and seizing Casablanca if Egypt should fall.

On the other hand, it is apparently believed in Lisbon that the Axis does not intend to draw Spain and Portugal into the war. Portugal has nevertheless had to accede to German restrictions confining Portuguese shipping to the United States to the port of Baltimore. Franco in turn, in a recent speech announcing elections for the new Cortes (the majority of which will presumably be stooges), attacked outworn liberalism and cited Bolshevism as the great threat against which Spain, if necessary, might again crusade. But the Caudillo avoided making any promises to Berlin and praised Spanish neutrality, adding the warning that Spain could

raise an army of three million men. His position fitted the general policy pattern that seems to prevail in the Latin bloc —Pétain, Franco, Salazar and the Vatican—a policy of conservatism and non-belligerency looking forward to a negotiated peace, after which the bloc would emerge as the counterweight in Europe.

Japanese Withdrawals in Chekiang and Kiangsi

In China it now appears that the Japanese are in the process of relinquishing at least a part of their recent gains in Chekiang and along the Chekiang-Kiangsi railway. Chungking announces that Chinese troops have reoccupied several cities along the arc which the Japanese had extended through Chekiang Province—Chien-te, inland rail center southwest of the Japanese base at Hangchow; and Jui-an and Ch'ing-t'ien, in the southeast. The Japanese evidently still hold Wenchow at the southeastern extremity of the arc. Chinese troops, according to Chungking, have also recaptured Heng-feng and I-yang in Kiangsi, thus regaining at least temporary control over a fifteen-mile stretch of the Chekiang-Kiangsi railway.

Japanese withdrawal of forces from these areas is the chief explanation for the Chinese successes. Chinese reports indicate that Japanese troops taken from the Chekiang-Kiangsi sector are destined for service in Inner Mongolia or Manchuria, although there is also some possibility that the Japanese may be simply redistributing and reorganizing their troops in China, perhaps preliminary to a thrust against Changsha. In Central and North China, three independent brigades recently were expanded to divisions, and a reorganization in any case appears to be already in progress.

Optimistic Note in China

The slackening of Japanese pressure and the bombing of Hankow and Canton by American air forces appear to have added a mildly optimistic overtone to current public opinion in Chungking. A member of the Chinese foreign office is reliably reported to have said that popular belief in eventual victory is as strong as ever, and that talk of a negotiated peace is absurd. There is a strong feeling that China needs more help, particularly planes, according to this official, but even if China fails to obtain these, she will continue as before. Inflation and military defeats have not been causes of particular anxiety, and the Chinese are fully expecting that the Japanese will soon attack Siberia.

Nehru Explains the Wardha Resolution

In two interviews with an American representative at New Delhi, Pandit Nehru has made it abundantly clear that the Wardha resolution of the Congress Working Committee admits of no compromise with Great Britain. Even if the British should grant the demands put forth by the Congress at the time of the Cripps mission, it would not be enough, Nehru believes, since those proposals were merely a temporary expedient in the face of the Japanese invasion menace. Furthermore, since that time, Indian hatred for the British has increased greatly, Nehru declares.

This hatred, in the Pandit's opinion, threatens to make of India another Burma, inasmuch as British policy is creating pro-Japanese sentiment all over the country. The only way to stop the growth of this feeling, which Nehru deplores, is to launch such a campaign as the Working Committee has now proposed. That is the ethical justification for a movement which, viewed superficially, might seem to interfere

with the Allied war effort. In any case, Nehru concludes, the campaign would interrupt war activities only briefly—since its results would not long be in doubt.

Concretely, what the Congress demands is the formation of an Indian provisional government by representatives of all parties. In turning over their powers to this government, the Viceroy and the provincial governors would be obliged to withdraw immediately. Minor officials, however, would remain, and their removal would occur only gradually—to obviate the dangers of a sudden administrative revolution. The new Indian nation, in Nehru's view, would assume Britain's obligation to the princes. But an upsurge of Indian patriotism among the inhabitants of the native states would probably soon force the princes to join the new union. As for the Allied troops now in India, a free India would not demand their withdrawal, but on the contrary would welcome their aid. To the commander-in-chief of the United Nations forces the provisional government would give unstinted cooperation.

The Pitfalls of Pakistan

As for the Moslem issue, Nehru declares that the Congress leaders can reach an understanding with Jinnah in two days, if the British do not interfere in the negotiations. Such a point of view is similar to that of Gandhi, who feels that the withdrawal of the British should precede a Hindu-Moslem settlement; so long as the British remain, they will be able to pit the two communities against each other on the principle of "divide and rule."

Jinnah, on the other hand, fears that an abdication of the British Raj before the establishment of Pakistan—a separate Moslem state—would mean that the Moslem minority would

be at the mercy of the Hindus. According to Gandhi, however, Jinnah has failed to reveal just what he means by Pakistan. An American observer on the spot suggests that this vagueness is an intentional maneuver. Pakistan is essentially a bargaining point, and Jinnah cannot be expected to reveal what it really implies until he has extracted the last ounce of concessions from the Congress and the British on this issue. Furthermore, he is probably not anxious to display before his own followers the economic drawbacks of the scheme—that is, the separation of such deficit areas as Baluchistan, the Northwest Frontier Province, and Sind from the central government of India, on which they are financially dependent.

In short, Jinnah can be relied on to oppose the Wandha resolution root and branch—since it calls for an immediate British withdrawal prior to a Hindu-Moslem settlement. As for the British, confidential advices suggest that the Viceroy's Council will take no action before the meeting of the All-India Congress Committee next month. Meantime, the Viceroy has apparently referred the whole issue to London for decision.

Significance of Brazilian Government Changes

Colonel Alcides Gonçalves Etchegoyen has now replaced Felinto Muller, recently removed as chief of police in Rio de Janeiro. Colonel Etchegoyen is a popular Army officer whose sympathies are definitely pro-Ally but whose previous career has not brought him into the public eye.

This is one of a series of recent government changes. Two members of the cabinet have resigned—Lourival Fontes, as minister of press and propaganda, long known for his pro-Nazi sentiments; and Francisco Campos, as minister of

justice, who is also pro-Nazi. Major Coelho dos Reis now has the former post, while the latter has been placed temporarily under the jurisdiction of Marcondes Filho, the minister of labor.

In general it is felt that these changes notably benefit our position in Brazil, although there is some difference of opinion regarding the new minister of press and propaganda. Although it is said that Aranha approves the choice, the fact remains that Major dos Reis was the former right hand man of the minister of war, General Dutra, one of the members of President Vargas' cabinet who long opposed the cooperation of Brazil with the United Nations.

APPENDIX I

STRENGTHENING THE GERMAN WAR ECONOMY

During the present year the Germans have carried out fundamental changes affecting economic output, organization, and control, according to a study of the Economics Division made in collaboration with the Central European Section of the Office of Strategic Services. These changes have come gradually and unsensationally, but taken together they form the most significant mutation in the German economy since the war began. Impelling reasons were the miscarriage of plans in Russia and the entry of the United States into the war, which has now turned from a series of short campaigns—interspersed with periods of economic recuperation—to an enduring conflict.

Manpower shortages have precipitated the changes. The minimum goal is presumably the maintenance of past output, even in the face of a new draft on industry of two to three million men to replace losses on the Eastern Front. A maximum goal might aim to increase production for a war on two fronts.

The measures taken undoubtedly reflect a considerable degree of economic strain, and they will leave no appreciable slack in the German economy if they prove successful. But no basis exists for concluding that the Nazi economy must soon collapse, or even that the present scale of the peak effort will soon be reduced. Future efforts to obtain really large increases in output will necessarily be confined to European areas outside the Reich.

These changes have been accompanied by no noteworthy evidence of friction among the three chief power-wielding groups concerned. The Nazi Party, in executing the economic reorganization program, has retained and consolidated its position of leadership, but it appears also to have received the full cooperation and support of the army and the industrialists.

Five Categories of Changes

The measures taken fall into five main categories designed (1) to increase efficiency and production in the armament industry; (2) to maintain output with a reduced labor force in basic industry and civilian manufacture; (3) to simplify administrative organization and procedure; (4) to coordinate all labor-saving and recruiting activities; and (5) to conserve food stocks.

Agriculture, which was already highly centralized, does not appear to have been the subject of special attention, although attempts have doubtless been made to increase the supply of prisoners and other foreign labor used in the fields. Last April's reduction in rations probably reflected the impossibility of increasing food supplies within the next year.

1. The Armament Industry

Administrative Control. Various measures over a period of six months have brought the armament industry finally under full control of the newly appointed Minister of Armaments and Munitions, Albert Speer, the successor to Todt and

a trusted party member. One of the latest and most significant steps in this direction was taken when the regional Armament Inspection Bureaus and Armament Commands, formerly under the Supreme Command of the Army, were transferred to Speer's Ministry. Speer also has assumed great influence in the field of labor. The important labor "Combing-out" Commissions (Prüfungstellen) operate under his authority. Perhaps most significant of all is the concentration and unification of control over armament production, accomplished by the establishment of committees of technical experts (Hauptausschüsse) for each of the major armament products. These committees are designed to hasten efforts to nationalize production and to see that technical information is exchanged between plants. They are coordinated by a new Armament Council, and all operate under Speer's direction.

Contract System. A new contract system for armaments items has been instituted, favoring competitive prices. Formerly, a relatively unrefined version of the "cost-plus" principle appears to have been used. Under the new system, all producers of a given article are classified into not more than five groups, based on relative efficiency as reflected in costs of production. A uniform price is fixed within each group, so that there can be from one to five group prices for every armament item. The uniform price is determined by the costs of production of a relatively efficient firm in each group, hence less efficient firms in the group face sharply curtailed profits or financial loss if they do not lower their costs. The fate of firms which consistently produce at costs higher than the group price is not known, although the alternatives would seem to be bankruptcy or being closed down.

A further incentive to efficient production is provided by making it advantageous for businesses to move up the scale to Group I. Firms in this group are not subject to the excess profits tax, and they are given priority with respect to labor and materials.

"Protection of the Armament Industry." A decree of March 21, 1942 "for the protection of the armament industry" increases the penalties (to include death) for any person who makes incorrect statements regarding needs for manpower or supplies of essential raw materials and machinery. Excessive requests—anticipating cuts by the Allocation Boards—appear to have become all but universal. While the decree does not constitute a new approach, the penalties are more severe than formerly, and clearly are designed to tighten administrative control. At the same time, an effort is made to end the "paper-work war" which had resulted from the mutual distrust of business and governmental bureaucracies.

3. *Output of Basic Industry*

Concentration of Production. In basic industry, and especially in civilian manufacture where there is extensive idle plant capacity, an intensified effort is being made to concentrate production among the most efficient producers. Concentration of production has long been a part of Nazi economic policy, but the new need for manpower has given it impetus. Nazi leaders cite the case of the cigarette industry, where output per worker per day varies between 4,000 and 25,400 as among small-scale producers and certain large-scale and highly mechanized firms. By concentrating production in the latter, they point out, the number of workers employed in the industry can be reduced by 22 percent (12,500 to 9,800).

The tobacco industry offers a relatively favorable example. Although similar conditions probably exist in other consumers' goods industries, employment already has been reduced to a low level. It is probable that the actual saving in manpower in this sector of the economy will be small. In heavy industry, the more efficient firms probably are producing at capacity already. However, intensified efforts to concentrate production in the most efficient plants doubtless will economize some further manpower. In addition, the long-term process of financial amalgamation and combination of large concerns seems to be moving more rapidly, both in Germany and, under German control, over most of the European Continent. In many cases this development prepares the way for actual physical integration of formerly independent units and aims, therefore, to speed up the processes of concentration.

3. *Simplification of Economic Structure*

Administrative Machinery. Simplification of the administrative machinery for control of prices, markets, raw material allocations, and other general economic activities is expected to result in increased efficiency and a saving of manpower. Existing trade organizations, cartels, and syndicates for certain industries are being abolished and their place is being taken by Reich Associations (*Reichsvereinigungen*). The functions of these associations are far-reaching: they regulate "market conditions" by drawing up production and import plans; establish sales quotas; fix prices; and in some instances have taken over the allocation of raw materials—formerly the function of the *Reichsstellen*. The Reich Associations are designed to form the nucleus for the European post-war economy, and in a few cases seem already to have extended their influence over allied industries in occupied and "friendly" countries.

While the German press hails the reorganization as an increase in self-administration in industry, pointing to the fact that the heads of the associations are leading industrialists, these high officials nonetheless must be approved by Nazi functionaries. The associations actually are administrative instruments designed to carry out state-determined policy.

Decrease in Government Personnel. Simplification of administration, and reorganization of the complicated structure of industry and trade organizations, is expected also to relieve the overburdened Germany bureaucracy, whose personnel has been cut about 40 percent by heavy drafts for the armed forces. All post-war planning and administrative activities not directly connected with the conduct of the war have ceased. In addition, it is expected that these changes will greatly reduce the amount of existing paper-work, in so far as they eliminate duplication of offices and overlapping functions. The result will be relief for the personnel of both industry and government.

4. *Measures Relating to Labor*

Centralization of Labor Control. Administration of labor has been further centralized under Fritz Sauckel, former party *Gauleiter* of Thuringia and high SS officer, who was appointed Commissioner General for Labor in March, 1942,

to work in close cooperation with Speer. He is charged with the "combing out" of men from industry, and will be required to relate this process with measures to raise industrial efficiency in such a way that production will not suffer. He is also expected to obtain increased supplies of labor from domestic and foreign sources.

Sauckel has various agencies at his disposal. He has appointed the Nazi Party *Gauleiters* to newly created posts of *Gau* Controllers of Labor Allocation, to act as his watchdogs alike over officials, businessmen, and workers. Existing organizations dealing with labor problems have been placed at his disposal, and various intensive campaigns to recruit new workers and speed up production are under way. Compulsory methods of recruitment already are being introduced in certain of the occupied countries, and these measures are likely to be extended.

5. Conservation of Food Stocks

Reductions in Rations. Germany entered the war with an elaborate and highly organized agricultural control mechanism, centering in the Reich Food Estate (*ReichsnährStand*). This estate, established as early as 1933, regulates every aspect of agricultural production and distribution. The only present change affecting this control mechanism was the recent replacement of its director, Albert Darre, a party member since 1930, by Herbert Backe, a former Secretary of State.

Tightening up in this sector took the form on April 6 of substantial reductions in the food rations. It was apparent that administrative changes alone could not at this time remedy the food problem. Early indications of poor crops through most of Europe and the failure of plans to expand agricultural output in the European area outside Germany seem to have provided the immediate motivation for the reduction. The new ration levels, however, will tend to keep consumption in line with the longer-run supply outlook. Even at this lower level, rations are nutritionally adequate, especially for the major categories of workers.

APPENDIX II

RUBBER—THE UNITED NATIONS AND THE AXIS REVERSE POSITIONS

The Japanese conquests and the careful preparation for war of the German *Wehrmacht* have in effect reversed the respective rubber positions of the United Nations and the European Axis. Now that the main rubber-producing regions of the world are in the hands of Japan, the availability of crude rubber to Axis Europe is limited only by the amount of merchant shipping at their disposal, and by their ability to run the blockade. The British believe that blockade-running has assumed considerable proportions and that the Germans have succeeded in running through at least 25,000 metric tons of crude rubber in the first six months of this year. At the same time, the German synthetic rubber program has reached the point of large scale production, and can in itself supply more than half of the European Axis requirements. Since additional capacity for synthetic rubber is under construction, production may be expected to expand even further in the next year.

The United Nations, on the other hand, and especially the United States, are in the unhappy position of having lost their principal source of rubber, and of not yet having solved the problem of alternative sources of supply. The synthetic rubber program, in spite of discussion and planning in the last two years, is still in its infancy and cannot be expected to contribute in any notable degree to our rubber supply until next year. In the meantime, the United States is dependent mainly upon its stockpile of crude rubber and at the same time is expected to contribute from this supply to the military requirements of the other United Nations. Fortunately, our stockpile of crude is considerable, while that of Axis Europe is believed to be reduced to almost nothing.

Axis and Allied Positions Compared

In comparing the rubber position in the United States and Axis Europe, two considerations must be taken into account: (1) normal consumption of rubber is on a very different scale in the two countries, and (2) consumption of rubber by motor vehicles for essential civilian transportation in the United States is on a scale unknown in any other country. For both reasons our civilian consumption cannot be cut to anything like the level to which it has been reduced in Axis Europe, without disrupting the economy.

A comparison of the respective positions of Axis Europe and the United States in 1942 follows:

	Axis Europe [1]	United States [2]
	[In thousands of metric tons]	
Supply:		
Synthetic production [3]	135	23
Crude imports:		
Far East	50	270
Africa	5	10
Western hemisphere	?	10
Total imports	55	290
TOTAL SUPPLY	190	313
Consumption:		
Military requirements	194	229
Foreign requirements	0	125
Industrial and civilian requirements [4]	30	149
TOTAL CONSUMPTION	224	503
Stocks of crude:		
On hand 1/1/42	0	538

[1] Estimates based to a considerable degree upon data from the British Ministry of Economic Warfare.
[2] Figures from War Production Board.
[3] Including all kinds of synthetic rubbers.
[4] Industrial and civilian requirements will be met in part from production of reclaim rubber, not shown above.

Axis Blockade Running

No imports into the United States from the Far East are expected in 1943, and only some 30,000 tons from Africa and the Western Hemisphere. The production of Ceylon and India, if still available, will go to Great Britain. Far Eastern imports into Axis Europe, however, may well increase, unless blockade running can be stopped. If Germany conquers the Near East and makes a junction with Japan, the Axis rubber problem will be solved.

Even though Germany fails to join hands with Japan, sufficient ships are available for blockade running on a greater scale. Japan has requisitioned about 300,000 tons of ships in the Far East, distributed as follows—German, 19 ships; Italian, 15; and French, 24. Although it is not known specifically how many of these ships are available to the European Axis, sufficient tonnage certainly exists to fill the Axis needs for crude rubber. The route used by most of the blockade runners appears to be through the South Pacific, around the Horn, and across the South Atlantic to a West African port (Dakar or Casablanca), a route very difficult for the United Nations to patrol, even if air and naval equipment were not needed elsewhere.

American and German Synthetic Programs

United States synthetic rubber production is now in the preliminary, experimental stage that German production reached in 1938. The Germans have progressed to the point where they have at least two large-scale units (at Hüls and Schkopau) and five small units operating in Germany proper, with five small units in the occupied and other Axis countries. There are various reports, as yet unconfirmed, that some twenty-six other plants are either operating or being constructed. Undoubtedly Germany has planned sufficient synthetic expansion to take care of almost all her requirements, although blockade running may reduce the need for carrying out this expansion.

Our own synthetic program has been hampered by a number of factors, such as competition of interests, shortages of strategic materials for plant construction, and so on. Among these factors, the controversy over the chemical process to be used (alcohol vs. petroleum) has recently assumed prime importance. Butadiene has been made successfully from alcohol for years in Russia, though the process is not as well known in this country as that using petroleum. Whatever the merits of the controversy, in which the adherents of the alcohol process claim that their method is simpler chemically and could be set up for large-scale production more quickly, our synthetic program is now fixed at 800,000 tons annually, the majority of which is to be derived from petroleum. Perhaps a quarter of the total amount will be derived from alcohol. WPB estimates that nearly 400,000 tons will be available by the end of 1943, and that we will be producing at the rate of 800,000 tons per year by the end of 1944. If the program is achieved on schedule, our rubber problem will be largely solved in two years' time.

Stockpiles and Scrap Utilization

In the meantime, we have a crude stockpile on which to draw, one which is sufficient for two years' military consumption, or about one year's normal peacetime consumption. We likewise have an annual reclaim capacity of about 400,000 tons. Since only crude has been accepted as suitable for military and foreign requirements, our present program envisages withdrawals from our stock of crude this year and next, coupled with severe civilian rationing and greater utilization of reclaim rubber. The voluntary scrap drive has been disappointing in its results, but additional scrap undoubtedly exists which could be requisitioned by the government, as well as the tires on many of our 30,000,000 cars. We are now riding on our principal stock of scrap. The Germans have already requisitioned tires throughout Occupied Europe.

The fact that the Germans have little or no stockpile, and may be drawing to the end of available scrap supplies in Occupied Europe, has spurred them to expand their synthetic production, and run crude through the blockade. Without success in these two factors, their 1942 position would be considerably worse than that of the United States, since they have long since economized on rubber uses as far as possible without producing disruptive effects. We in the United States have not yet carried our economies that far. If blockade running could be eliminated and the two main synthetic factories in Germany permanently put out of action by aerial bombing, the contrast between the Axis and United States rubber positions would be turned in favor of the latter, and there is also little doubt that the Axis military machine would suffer.

APPENDIX III

THE UNDERGROUND MOVEMENT IN AUSTRIA

Loosely organized and relatively cautious in action, Austria's underground movement nevertheless has managed to survive, according to recent reports received from a source whose information is considered very reliable. The groups from which the movement receives its chief strength are the former trade unions and the Socialists—the latter now calling themselves the "Revolutionary Socialists."

Both trade unions and socialists were forced underground initially by the Dollfuss regime in 1934. Following Austria's annexation in 1938, the clandestine trade unionists were obliged to abandon any attempt at contralized organization and cling to their factory units. Inter-union contacts are limited to near-by factories, and sometimes even the maintenance of contacts within a factory involves incredible difficulties. In some munitions works, women in different departments have been forced to wear different colored dresses, to facilitate the efforts of supervisors to prevent unauthorized movement within the plant.

Organization and Functions

In many of the larger factories, particularly the metal works, underground unions are represented in every workshop, and there are executive committees for the whole factory. Dues and subscriptions are regularly collected and the funds properly administered. A wage dispute in one such factory resulted in selection by the underground of a slate of delegates whose election caught the employer completely by surprise. When he refused to deal with them and the *Deutsche Arbeitsfront* threatened to call in the Gestapo, the underground union provided 400 marks each for the five delegates in case they should suddenly need it.

In the past the factory groups have concerned themselves chiefly with mutual aid and support, especially in caring for relatives of imprisoned workers. More recently, longer working hours, unpaid overtime, wage reductions, and generally harsher working conditions have led to occasional open conflicts, with outspoken and vigorous protests. There have even been some short strikes, limited to a single department in a given plant. In general, however, our source believes that the strength of the underground trade unionists should not be overestimated—they are valuable primarily in maintaining the fighting spirit of the industrial workers in individual factories, at a time when no legal trade union movement is possible.

The "Revolutionary Socialists"

After the suppression of the Social Democratic Party by Dollfuss, the Revolutionary Socialists formed strong underground mass organizations. With the advent of the Nazis, the Revolutionary Socialists themselves put an end to the mass character of the movement, organizing instead a limited number of small "conspiratorial centers," led by new militants unknown to the police. These new organizations are factory "cells," and while they are separated from the loose trade union groups, some members participate in trade unionist activity as well.

The Socialist units, like those of the trade unionists, work more or less on their own, but with a thin network of cells forming a tenuous district and area organization.

Activities of the Revolutionary Socialists are very limited, and for the present are relatively harmless. No activities are undertaken which might endanger the existence of the underground movement, which the Socialists wish to safeguard, feeling that revolutionary mass action can take place only after the Germans have suffered decisive military defeat.

Meanwhile the Socialists engage in propaganda activity: so-called "Schmieraktionen" or "splashing expeditions"—painting hasty slogans and symbols on walls and pavements; or "Streuaktionen"—scattering small propaganda leaflets. When Nazi orators are speaking, the Socialists occasionally manage to break up a meeting by the uninterrupted shouting of the Nazi slogan, "Sieg Heil," our informant notes. Organized market brawls are started by small women's groups who vociferously dispute with each other about the food situation, profiteers, war victims, and the hopelessness of the war.

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OFFICE OF STRATEGIC SERVICES

THE WAR THIS WEEK

July 23–30, 1942

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Office of Strategic Services

THE WAR THIS WEEK

The German offensive has swept rapidly forward during the past week, engulfing Rostov, thrusting a deep salient across the Don southward to the Krasnodar-Stalingrad railway, and occupying almost all of the area enclosed in the great bend of the Don. Military observers incline to the opinion that the immediate German objective is the isolation of Stalingrad, rather than a deep drive toward the Caucasus, although the latter is by no means excluded and might be undertaken simultaneously.

In Egypt it appears that Rommel may be receiving sufficient supplies to enable him to dig in where he is, which would upset earlier predictions that he must either advance or retire. The British this week made two limited attacks at apparently heavy cost.

From Turkey an observer of long experience reports the Turks are still resolved to fight for their independence, if necessary. The wheat shortage in that country is occasioning anxiety, but the amounts involved are small and the current crop should soon afford relief.

The Germans continue to press Vichy for concessions and appear to be seeking to make the French Government more pliant by threats to install Doriot. At the same time there is evidence of increasing German penetration and preparation in French North Africa.

In the Far East, a superficial lull is still in evidence in Manchuria, although an unconfirmed report of the despatch thence of General Yamashita accords with the prevailing

prediction that the Japanese will attack before many weeks. The Japanese continue to widen their control in the Aleutians and are believed to have landed on Adak Island, only 360 miles southwest of Dutch Harbor. They have likewise landed near Buna in New Guinea and have struck overland to a point within 60 air line miles of strategic Port Moresby, whose reduction on the Japanese flank would be a logical prelude to an attack on Siberia. The current strengthening of the position in the Solomons is part of the same picture, and some observers foresee an early thrust much farther southeast into the New Hebrides where air bases would permit the use of land-based aircraft against New Caledonia.

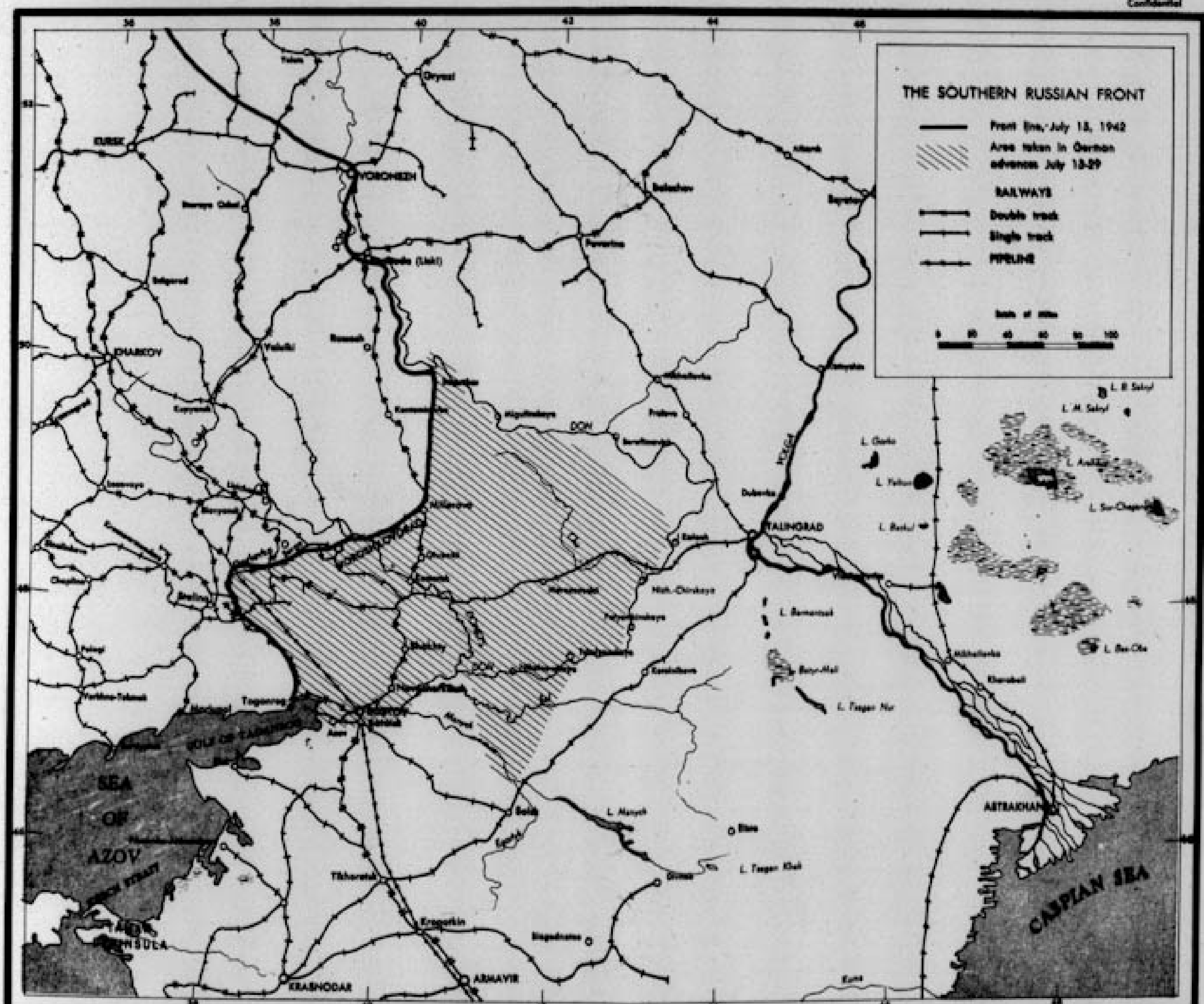
Sir Stafford Cripps has leveled a rebuke at Gandhi and the Congress for their threat of a civil disobedience campaign, which he describes as imperilling the United Nations war effort. A retort in effect has come from Maulana Azad, Congress president, who roundly states that the Congress is ready to negotiate a temporary settlement with the British provided the United States, China, and Russia give a collective guarantee of India's independence after the war.

The Nazis Cross the Lower Don

With the fall of Rostov, the Germans have crossed the lower Don and taken the city of Bataisk, on the Rostov-Caucasus railroad. Farther east, they have widened their bridgeheads in the Tsimlyanskaya area, pushing across the Sal and Manych Rivers probably as far as the Krasnodar-Stalingrad railway. In the Don bend, they have reached the river west of Stalingrad on a broad front north of Kalach (see map). They now claim to have reached or crossed the whole course of the lower Don.

The unexpectedly swift fall of Rostov was evidently the result of a change of plans. Although the defenders had prepared strong fortifications, Timoshenko apparently de-

Confidential



Map No. 777, July 29, 1942

Drawn in the Geog. Div., O.S.S.

cided to make his real stand south of the Don. In the face of day and night air attacks on railroads, pontoon bridges, and troop concentrations, a large part of the Soviet forces withdrew south in good order. Yet Russian losses of men and heavy equipment in this sector were probably a good deal more serious than those suffered in the Soviet withdrawals eastward in the Don bend. South of Bataisk, the Russian troops may now face encirclement from the German salient to the east.

The Isolation of Stalingrad

Despite newspaper predictions of an advance on the Caucasus, the isolation of Stalingrad would seem to be the Nazis' current objective. Their attack south of the Don is—for the present at least—apparently an effort to cut the railroad running southwest from Stalingrad to Krasnodar (and to trap the Soviet forces south of the river). Moreover, the German air force, operating from advanced bases, has bombed the railroads out of Stalingrad and shipping on the Volga. A probable next move would be an attempt to establish a bridgehead about 40 miles northwest of the city and at the easternmost part of the Don. Such a crossing would aim to cut Stalingrad's only rail line to the north and allow the German army to reach the Volga above the city at a place where the two rivers are about 30 miles apart.

With this increasing menace to Stalingrad's rail communications, it seems likely that the Volga River will soon represent virtually the only line of supply for the city. Meantime, the defenders of the Don bend, with their backs to the river and the bridges destroyed, are making a strong stand against the numerically superior mechanized forces of the invaders. Faced with tremendous supply difficulties, the Russians west of the Don will probably be unable to resist much longer.

Stalingrad: Industrial and Transport Center

The capture of Stalingrad would deprive the Soviet Union of the chief manufacturing and transport center of southeastern Russia. With a population of half a million, Stalingrad contains more than 300 industrial establishments, including the Dzerzhinski Tractor Works, the first large-scale factory of its type in Russia, and the "Red October" metallurgical plant, which in 1937 produced 4,000 tons of finished steel daily. Moreover, before the war it was a transit point for a heavy river traffic in lumber, coal, iron, oil, fish, and grain.

Geographical Factors in a Further German Advance

During the past two weeks the Germans have several times admitted that rain and mud have slightly slowed their advance. Yet in the areas directly ahead of them to the east and south, physiographic and climatic conditions will put few barriers in their path.

East of the present front—in the Don bend and beyond—the country becomes increasingly dry, and the possibility of heavy rain increasingly remote. To the north and south of Stalingrad, however, the Volga offers a possible line of defense. Furthermore, one of the hilliest parts of Russia west of the Urals lies along the right bank of the Volga, north and south of Saratov. In this area the August rains are twice as frequent and the rainfall double that of the Rostov region. Yet despite these defensive advantages, nowhere in this northern area is the relief so great or the rainfall so concentrated as to offer more than a temporary obstruction to a German advance.

South and east of a line drawn between Rostov and Stalingrad, the country is not unlike western Kansas—semi-arid, and varying from flat to gently rolling. The roads

between Rostov and the Caspian, however, unlike those of western Kansas, are little better than wide tracks which sprawl across the landscape. But, free from rain, the roads are readily traversable by all types of vehicles, and August in this area is one of the driest months of the year. On the average rain falls only five times during August and amounts to a total of less than an inch. Even under extraordinary conditions, the greatest amount of rain that might possibly be expected to fall within any 24-hour period would barely exceed an inch and a half. The resulting mud could scarcely hold up a German advance for more than a day. And the land is flat enough and the rivers narrow enough not to impose any insuperable obstacles to an invasion until it reached the foothills of the Caucasus.

The German Air Effort

Farther north, while Soviet attacks in the Voronezh and Bryansk sectors have made some progress, the front has changed very little. Furthermore, the Germans have restricted their air activity almost entirely to the southern sector. In addition to their air attacks around Rostov and Stalingrad, the Nazis have likewise bombed the Caucasus port of Poti. Moreover, unconfirmed reports tell of the concentration of two air-borne divisions on the Kerch peninsula for a possible invasion of the Western Caucasus; here the Nazis have shelled the Taman peninsula across the narrow Kerch Strait. On the Don front, the Germans have apparently used a transport plane capable of carrying seven to eight tons and landing within a remarkably small space on rough terrain.

Manganese and the Russian Campaign

Under the headline "Manganese called Nazi goal in Russia," *The New York Times* has created the erroneous impres-

sion that the acquisition of manganese is one of the economic aims of the current offensive in southern Russia. Although the news article itself states quite correctly that, according to the British Ministry of Economic Warfare, "the German raw material situation [in respect to manganese] has been relieved," the caption represents the fairly common tendency to attribute to the Germans a war deficiency in various commodities. The actual situation—so far as manganese is concerned—is quite different.

Raw materials experts of the Office of Strategic Services point out that at the outbreak of the war, Germany's minimum foreign ore consumption requirement (50 percent manganese) was about 200,000 tons. Of this amount, Central Europe, the Balkans, and Italy supplied 100,000 tons in 1941, and potentially could supply about 200,000 tons. The Reich subsequently obtained access to the manganese deposits of French Morocco (1941 production, 30,000 tons—potential: 70,000 tons). In other words, Germany at that point could have made up her deficit out of stocks for a few years even without further conquests, although her short-run position would have been very strained.

With the acquisition of the Nikopol deposits in the Ukraine, however, the Nazis probably obtained between 400,000 and 500,000 tons of very good ore for 1942. Later they may be able to raise the Nikopol output to the pre-1941 figure of a million tons annually. In the case of manganese, as in the case of various other materials, the Reich has achieved a balanced wartime economy, thanks to its territorial expansion.

RAF Use of the 4000-Pound Bomb

The increased use of two-ton bombs by the RAF in operations against Germany marks a tactical change of some importance. The proportion of two-ton bombs to the total

weight of high explosives employed has risen from an average of about 20 percent in the three months preceding June 1, to about 40 percent for the major raids of June and July.

In area bombing, high explosives are used predominantly against sectors of the city containing industrial establishments and other buildings of modern construction. The effectiveness of the larger bombs, while not double that of their one-ton counterparts, is appreciably greater. Against reinforced concrete, for example, European type 2,200-pound bombs would normally be expected to penetrate to a depth of 2.6 feet, leaving a crater 5.2 feet deep and 18.2 feet in diameter, while 4,000-pounders under the same conditions would penetrate 3.3 feet and leave a crater 7.7 feet in depth by 26.4 feet in diameter. The radius of the danger zone from fragments, however, is estimated to be doubled: 1,200 feet for the one-ton bomb, 2,400 feet (nearly half a mile) for the two-ton bomb. Consequently the total area over which damaging fragments will be hurled is increased no less than four times.

Minor Attacks in Egypt

The British attacked on all three sectors of the Egyptian front on July 21–22 and achieved minor objectives at reportedly heavy cost. These attacks were followed by a lull in which artillery and patrol actions dominated the field and forced slight British withdrawals from exposed positions. The British again attacked on July 27 in the northern and central sectors in what also appears to have been a limited action. Latest reports indicate that the front is relatively quiet.

Military observers suggest that it may be Auchinleck's purpose to use his present numerical superiority in planes, tanks, men, and guns to reduce Axis strength in its present position, rather than to attempt to drive the enemy back

to better supply positions. These tactics might be effective in a theater where only relatively small forces are involved. Rommel in turn appears to be getting enough supplies by truck (and possibly by some use of the railroad) to enable him to defy earlier predictions that he must either break through or retreat to shorten his exposed lines of communication. The peak season for both heat and sand storms has now passed, a fact which may make present positions slightly more bearable.

Allied air forces, with American bombers playing an increasingly important rôle, continued to concentrate on enemy vehicles, shipping, and ports—especially on Tobruk and Benghazi, and on shipping at Suda Bay in Crete. Despite these attacks, reliable sources estimate that Axis shipping present in the harbor at Tobruk has averaged substantially more than 15,000 tons a day during the past 10 days, while Matruh is believed to be receiving about 1,000 tons of shipping a day.

Reports of troop movements in Italy and down through the Balkans have increased and have caused further speculation about the possibilities of an attack on Syria. Paratroop maneuvers and a new headquarters in the Aegean zone have been reported. Germany's commitments in Russia, however, may well be too great to allow the undertaking of such a campaign. Air reinforcements on any large scale have apparently yet to appear in the Mediterranean, and these would be essential to the preliminary reduction of Cyprus.

It is known that some German units have been flown to Egypt from the crowded Aegean area, and more are expected to follow. The Italians are also believed to be sending sizeable reinforcements to Rommel. The Axis reveals the importance it attaches to shipments going by way of Sicily by the high price it has paid in recent plane losses in efforts to neutralize Malta.

A Report on Turkish Opinion

In a general review of Turkish opinion, a seasoned observer reports optimistically from Turkey that sentiment in favor of Russia, Italy, and Japan is nil; that the Nazis are popular only among business men and the Armenians; that the British are well thought of except by religious and nationalist extremists; and that the United States is popular, though suspected of some Anglo-Saxon sloppiness in military affairs. Although the ruling class fears Bolsheviks more than Germans, our observer states that the Turks are resolved to fight for their independence if forced to it; this idea is firmly rooted in the peasant mind. The army is in good physical and moral shape. The new prime minister, Saracoglu, besides having the drawback of a deep hatred of the Soviet, is perhaps more slippery than his predecessor, according to our observer, and is inclined to think he can outwit all men.

The Turkish Wheat Shortage

The wheat situation appears to have caused considerable alarm in Turkish Government circles. Following reports of the availability in Istanbul of only a few days supply and of the cutting of the immature harvest in the Trebizond area, the new prime minister asked the United States for aid and requested that wheat shipments be given priority even over military supplies. Some wheat was obtained from small British Levantine stocks. President Inonu himself went into the country to view the situation.

A food expert in the Office of Strategic Services—supported by a late cable from Cairo—suggests that the Turkish shortage is only a local situation and not of great importance. The 1941–42 crop of 3.5 million tons, while less than the bumper crop of the previous year, should ordinarily be enough to cover the relatively high level of domestic con-

sumption. However, stocks requisitioned by the Turkish army, some relief shipments to Greece, widespread peasant hoarding, and late harvesting of the current crop, have undoubtedly created local shortages, especially in the cities.

Since there are reports of stocks in southern coastal towns of Asia Minor waiting to be cleared, it is suggested that the present problem may be one of internal distribution. The amounts involved appear to be small. Moreover, the current crop is expected to be available to consumers—though perhaps not in the cities—in a little over a fortnight. Any relief prior to that date could come only from Near Eastern sources.

In the Lebanon, criticism stemming mainly from the bread shortage has caused the resignation of the ministry. However, it is expected that the new cabinet will be much like the former, and in general the disorders of last week appear to have passed. A further effort is being made to adjust Anglo-French relations in the Levant.

Reports from Iran

Difficulties between British and American representatives in Iran have been greatly eased this week, following the arrival of the head of the United Kingdom Commercial Corporation. He has apparently ended the long controversy over control of imports and their distribution—especially with regard to tires and trucks. The UKCC has agreed to return at once to Iran 3,000 tires previously requisitioned. Proposals for advisory boards to supervise foodstuffs and transport are also being developed.

The latter are made urgent by the Iranian wheat shortage, which is largely attributed to administrative and transport dislocations resulting from the war. Iran is normally self-sufficient in breadgrains, but in the last nine months has had to import 50,000 tons of wheat. This is a burden on shipping

that might be used to serve Russia. Britain is reported to have released 5,600 tons from military supplies to help bridge the interval until current harvests come in this month and next. This harvest is estimated at not far below normal, and American observers feel that a good administrator might stretch it out to cover consumption needs for the coming year.

During the past three months Japanese submarines are reported to have been reconnoitering the approaches to the Persian Gulf. It may be observed that similar operations were noted before the submarine campaign in Mozambique Channel.

German Exploitation of the French Situation

Possibly as part of a plan to make Laval more palatable to the United States, high Foreign Office officials in Vichy continue to emphasize their fears of Doriot's assumption of power. They point out that, in the wide variations of policy toward France of the German Foreign Office, the Army, and the Gestapo and SS, it is the latter two groups which are backing Doriot. Although feeling that Hitler could install Doriot at any time, these officials state that they have advised the Nazis against the move because of its possible effects on French morale, the French fleet and Empire, and French relations with the United States.

It is reported that 15,000 foreign Jews have been sent from the Occupied Zone to labor in eastern Europe. Vichy states that it has no control over the situation and refused to cooperate in it. However, French gendarmes are reported to have helped round up the unfortunates, although some gendarmes resigned rather than execute these orders. Pressure for a similar move in the Unoccupied Zone appears to be mounting. Although Laval is not a Jew-baiter and is undoubtedly fearful of the popular reaction, it does not

appear probable that he would make any issue of opposing German demands for such a step. Vichy claims to be staving off Axis demands for the return of political refugees, however, though admitting a few exceptions.

Last week the Paris press announced that Germany was preparing to send the first trainload of prisoners back to France under the labor agreement. It was frankly stated that they would consist only of older men and widowers. The bubble was broken this week, however, when the Vichy press announced that this trainload would not be sent in view of France's disappointing labor enrollment. This whole maneuvre may have been just a device to stimulate recruiting, which is estimated to have totaled only about 16,000 to 22,000.

The possibility of Franco-German naval collaboration has been raised again by a French naval officer, according to a report from Bern. Although feeling that Darlan would not dare use surface vessels against the Allies, the officer believes that there are indications of arrangements to turn over perhaps ten submarines to the Nazis, an act more difficult to detect. Although this officer cited a recent visit of 10 German technicians and 40 officers to the Toulon submarine base, a more recent report from Vichy indicates that there is as yet no substantial proof of any such arrangement.

Reports of German Preparations in North Africa

Reports from scattered sources continue to point to increasing Axis control and preparation in North Africa. A high French financial official, recently at Bern, declares the Nazis have plans for building coastal defenses and air fields similar to those in France—all with Vichy approval. Should the Allies invade the area, our source feels they would be joined by many French units in Algeria, with fewer in

Morocco, and still fewer in Tunis. Men like Noguès would probably follow the tide of battle.

A highly reliable source lists half a dozen French officials as being recently displaced because their political sympathies were in question. General Juin himself has now been recalled to Vichy, and it is said that if he returns, it will be with new instructions. There is also a rumor to the effect that two shiploads of German arms and ammunition will shortly be landed in Morocco by French merchantmen.

An unconfirmed report suggests that the vessel which recently brought to Casablanca essential parts of the French warships now interned at Martinique, also carried a secret message for Vichy to send special radio equipment as part of the return cargo.

Axis Propaganda and the Threat of War in Manchuria

General Yamashita, victor of Singapore, has been sent to Manchuria, according to Korean sources. Otherwise there is no significant new evidence of Japanese activity in that area, except possibly in the realm of propaganda.

Although Japanese publicity has in general observed a tone of propriety in dealing with Russia, it has warned the Japanese people that the democracies might dissuade Russia from her present wise and peaceful course and induce her to become aggressive toward Japan. At the same time it has assured the Japanese that the government has taken adequate protective measures. In the circumstances it would be easy to shift the propaganda line rapidly to convince the public that the Japanese army in Manchuria is executing an "offensive-defense" against threatened Russian aggression.

The Berlin and Rome stations are also circumspect on Russo-Japanese relations, but satellite Axis stations, such as Saigon, are more outspoken. Possibly these stations are under looser control than the primary stations, and conse-

quently more revealing, or they are perhaps deliberately engaging in a war of nerves against Russia and her allies. The Nazis, in particular, may be spreading rumors of Japanese actions aimed at Russia in order to prevent transfer of Siberian units to the German front. On the whole, however, the probability of an actual Japanese attack within the next few weeks is believed by observers to be the best explanation of present Axis publicity.

The Japanese Develop Their Aleutian Position

At heavy cost the Japanese are actively endeavoring to strengthen their hold on the western Aleutians, and are now believed to have landed on Adak Island, 360 miles southwest of Dutch Harbor. Air reconnaissance reveals increased activity on Kiska Island, including the preparation of a landing strip for planes and the probable occupation of Little Sitkin island 40 miles east of Kiska. Reconnaissance has also sighted numbers of Japanese ships in Kiska harbor, for example, about July 18, what were believed to be a battleship, two heavy cruisers, three destroyers, and four auxiliary vessels. These Japanese preparations have not progressed unhindered. Since July 3 American submarines operating in the Aleutian area have sunk six Japanese destroyers and damaged two others.

Japanese Extend Their Bases in New Guinea

Having failed to take Port Moresby by sea (the presumed object of the Coral Sea battle), the Japanese have moved by land, advancing their ground units to within 60 air line miles of this last Allied bastion on New Guinea. After a successful landing in the area of Buna, northern terminus of the only "road" to Port Moresby across the rugged Owen Stanley Range, enemy units advanced inland along the road as far

as Kokoda Pass—nearly halfway to Port Moresby. So far, aside from patrol clashes, the Japanese have met little opposition on the ground.

The initial landing was made at near-by Gona Mission on the night of July 21/22 from four transports, by a force numbering between 1,500 and 2,500 troops. By July 22 all task-force surface craft had departed northward. Meanwhile, however, Allied flyers sank two transports, damaged another, hit one destroyer, and maintained daily strafing attacks against ground installations and supply dumps.

Road to Port Moresby

From Buna, a tortuous graded trail winds through valleys and gorges to the main Owen Stanley Range, where it crosses a steep pass at approximately 6,000 feet above sea level. The trail was built about 1903 to give access to the Yodda goldfield on the northern slopes. Air transport to the goldfield has reduced its usefulness, but it still serves various native settlements, mission stations, and rubber plantations along the route and has been kept in reasonably good repair by local tribesmen.

Normally the journey from Buna to Port Moresby over this route would take about 12 days. Motor transport is out of the question. Apart from steep grades, much of the trail is marshy and muddy, and the streams and gorges are bridged by flat-topped logs or at most a swinging bridge of wire or rattan, easily destroyed by guerrillas. An overland attack by this route would thus face serious difficulties of supply.

Nevertheless, the new base, if it can be held, puts Japanese land-based pursuit planes within easy range of Port Moresby. Use of the airfield at Kokoda, 50 miles inland from Buna, would place the Japanese still closer to the Allied base and might be preliminary to a joint attack both by sea and land.

Neutralization of Allied air power at Port Moresby—which more than 70 Japanese air attacks so far have been unable to do—is probably the minimum Japanese objective.

Activity in the Solomons

The Japanese meantime are strengthening their bases in the Solomons. Large airdromes are under construction on Guadalcanal Island, where an enemy force of some 3,000 troops is stationed in the Lunga area. On Florida Island, a recent estimate placed the number of troops at 1,600, concentrated chiefly around Tulagi. An early attempt to seize Espiritu Santo Island (much farther southeast) or one of the other islands in the New Hebrides group, is envisaged by some observers, who point out that such an attack would be designed to secure air bases from which land-based aircraft could be used against New Caledonia.

Chungking Air Raid

Chungking has had its first raid in eleven months, and according to Chinese accounts the results of the attack were in happy contrast with those of last summer's heavy bombings. Chinese sources credited pilots of United States fighter planes with turning back all but four of some fifty Japanese bombers which had started from Hankow, and, according to Chinese observers, even these four planes dumped their bombs well outside the city. The eleven-month lull which preceded the Japanese attack has been gratefully welcomed by the residents of the Chinese capital, and the recent American air raids on the Japanese-occupied centers of Hankow and Canton have been strong stimulants to Chungking morale. The evident failure of the latest Japanese raid will further bolster Chinese spirits, it is felt.

Meanwhile the Japanese may be getting ready to retire from more towns along the Chekiang-Kiangsi railroad, according to reliable American sources at Chungking. The Japanese are extorting funds and plundering on a somewhat more systematic scale than they would if they intended to remain in permanent occupation. Continued Chinese press accounts of military pressure being exerted against Japanese-held stations along the line would seem to indicate that Chinese authorities are expecting a further Japanese withdrawal. However, military observers here believe the Japanese will not yield the four key points they hold in Chekiang Province: Li-shui, Wenchow, Kinhua (Chin-hua), and Chuhsien.

Cripps Rebukes the Congress

In a broadcast directed primarily at the American people, Sir Stafford Cripps has declared that it is unthinkable that the threatened civil disobedience campaign of a "visionary" like Gandhi should imperil the war effort of the United Nations in India. To yield to the Congress, Cripps maintained, would mean chaos in the peninsula. "It is of as much interest to the United States as to Britain and China that India remain a safe base for operations against Japan." Meantime, in the columns of *Harijan*, Gandhi has warned the Japanese: "You will be sadly disappointed if you believe that you would receive a willing welcome from India" [in the event of an invasion].

Faced with the menace of civil disobedience, the Government of India has lifted the ban on the Communist Party. Such a step, in the view of an American observer in New Delhi, is a logical extension of the government's policy of wooing the pro-Russian, pro-war Left wing elements in India, as a counterweight to the Congress. The same observer has concluded, however, that only the intervention

of an outstanding third party, trusted by both sides, can avert the campaign of civil disobedience now envisaged by Gandhi and the Congress Working Committee.

Meantime there are further indications that some Congress leaders are not so intransigent as Gandhi. According to the Chinese radio, Maulana Azad, president of the Congress, has declared in an interview that that body would be ready to negotiate with the British for temporary political arrangements for the duration of the war, provided that the United States, China, and Russia are prepared to give collective guarantees of India's independence after the war. With such a guarantee, Azad concluded, the Congress would consider any proposal advanced by the British for a wartime settlement.

The Indian Rice Deficiency

A recent statement by N. R. Sarker, minister of education, health, and lands, estimating Indian food deficiencies for the crop year 1942–43 as between two and three million tons, is probably over-alarmist. Analysis of the problem by food experts of the Office of Strategic Services suggests that if Indian consumption were up to desirable standards, the deficiency would be even greater than Sarker's estimate. But measured in terms of supplies actually available in poor crops years—not infrequent in India—the estimated deficit is an exaggeration, one million tons being a more nearly accurate figure. Moreover, the real deficit will be in rice supplies rather than in all grains. And it will primarily affect Madras, Bombay, and Ceylon—with more or less "normal" shortages in other areas.

Internal readjustments in agricultural production can alone solve India's food problem. Shipping shortages and problems of internal transport will doubtless make it impossible to import adequate grain supplies from outside India. Nor is

there enough surplus rice in the world—excluding Japanese-held territories—to make good India's deficit. In other words, the loss of Burma has obliged India to seek a solution for its food problem within its own borders. An increased utilization of various beans and root crops, to which the Indians usually resort during periods of food crop shortages, can provide some relief. More important, cotton acreage can be converted to rice, and jute acreage to other grain production.

Toward a Cuban Break with Spain

With a recent order from the Ministry of Communications forbidding the Spanish Embassy to despatch wireless or cable messages in code, Cuba is now reported to be moving toward a severance of relations with Madrid, and has received assurances that such action would have the entire approval of the State Department. The Cuban Government has likewise forbidden the exportation of foodstuffs and other materials to Spain, on the assumption that such shipments find their way into the hands of Hitler. And Cuban authorities have just arrested the Count de Bailen, former Spanish Minister to Panama, and are showing greater vigor in apprehending Axis agents and Falangistas.

While antifascist Spaniards have organized a *Unión Democrática Española* (Spanish Democratic Union) in support of the public demand for a breach of relations with both Spain and France, rising popular sentiment favors recognition of Russia, a step to which President Batista is known to adhere. A motion seeking recognition is now pending in Congress. Masonic lodges, the Provincial Council of Habana, and many trade unions have adopted resolutions favorable to recognition.

The *Frente Nacional Antifascista* (National Antifascist Front) recently held a large mass meeting in Habana under

the presidency of Dr. Angel Alberto Giraudy and collected more than 50,000 pesos for the United Nations. In Cienfuegos, Bishop Dalmau has been calling upon Catholics to defeat the Axis.

Anti-Axis groups are also reported to be giving warm support to the coming national registration of men for military service beginning August 1. This is notably true of the Communist Party in its newspaper, *Hoy*. The coming registration is to apply to men 18 to 25, but all those 18 to 50 will eventually be involved. Registrants will be given military training for four months.

APPENDIX I

SUPPLY ROUTES TO CHINA THROUGH RUSSIA

The potentialities of the various routes to China through Russian-controlled territory—in terms of capacity, fuel requirements, political complications, and military vulnerability—offer the Allies no substantial encouragement, according to an analysis by the Far Eastern Section of the Office of Strategic Services. For a practical solution to the problem of regular and substantial deliveries of supplies to China, there are no satisfactory substitutes for the shorter land and air routes between India and China. These in turn cannot be fully utilized until the Allies reconquer northern Burma.

At present, aside from the routes between India and China by way of Assam and Tibet, all remaining lines of overland communications between China and her Allies pass through Turkestan or Mongolia, converging finally upon the ancient caravan city of Lanchow in Kansu Province (see accompanying map). These include routes (a) by land through Iran and India to the Turkestan-Siberian railway, (b) by river through northern Siberia, (c) by air from Alaska, and (d) by land and air from India through Turkestan.

From Sergiopol, the Russian railhead on the Turk-Sib railroad, the Sino-Soviet highway runs through Lanchow to Chungking, an estimated distance in all of 3,000 road miles. All routes would feed at some point into this main trunk line—a dirt road, which is nevertheless in reasonably good condition. But even if the complex question of getting supplies to this road at Sergiopol could be solved, serious problems would still remain—above all, that of fuel.

Fuel Requirements for the Sergiopol-Chungking Highway

Chinese officials have frequently stated that 15,000 tons of supplies a month delivered at Chungking would be the minimum which would satisfy the bare military requirements of the Chinese Government. While smaller quantities of supplies would have salutary effects, the Chinese figure of 15,000 tons a month may be accepted as a tentative standard approximating a "regular and substantial" flow of supplies.

A minimum of 5,717,000 gallons of gasoline and 95,300 gallons of oil per month would be required to move 15,000 tons of supplies a month from Sergiopol to Chungking by truck, to distribute gasoline at regular intervals along the road from Sergiopol, and to get trucks back to Sergiopol for further supplies. These figures are based on a 5-ton pay-load per goods truck, a capacity of 30 54-gallon drums per gasoline truck, a 5-mile per gallon gasoline consumption, a 300-mile per gallon oil consumption, and a perfectly efficient distribution of fuel along the highway.

The history of Burma Road transport, and the experience of various organizations with trucking operations in China proper, indicate that an estimate of actual fuel use should probably be about twice the theoretical minimum—to allow for inefficiencies in operation of trucks, inefficient distribution of gas supplies, leakage,

and theft. If the minimum figures are used, however, it would require approximately 18,000 tons of gasoline and oil a month, or some 600 tons a day, to move 15,000 tons of goods a month (500 tons a day) from Sergiopol to Chungking. If an average speed of fifteen miles per hour, and an operating period for each truck of 200 10-hour days per year are assumed, 7,200 cargo trucks and approximately 7,000 fuel trucks would be required.

Difficulties in the Middle East

Three possible major Middle Eastern routes approach Sergiopol via the Turk-Sib railroad. The first runs by rail from Bandar Shapur to Bandar Shah, thence by the Caspian Sea to Krasnovodsk. The second goes by rail from Karachi to Zahidan in Iran, thence to Ashkhabad in Russia by the Iranian highway. Finally, there are routes from Karachi through Afghanistan which might be used—one through Chaman to Kushka and another through Landi Khotal to Termez.

Analysis of these Middle Eastern approaches to the Turk-Sib is not encouraging. If gasoline and oil were not provided by the Russians, the 15,000 tons of goods and the theoretical minimum of 18,000 tons of fuel required to keep these goods moving from Sergiopol to Chungking would utilize more than half the total present capacity of the Iranian railroad, the Iranian highway, and the Afghanistan roads. In actual practice, fuel consumption between Sergiopol and Chungking would probably be so much larger than the theoretical minimum estimate that all but a fraction of the combined total capacity of these lines might be required.

Russian provision of gasoline and oil from Baku might help, but the capacities of the Caspian ports would be taxed and an intolerable burden would be placed on the Turk-Sib railroad; transportation of supplies and the theoretical minimum of fuel from Krasnovodsk to Sergiopol would require the use of 141 locomotives and 3,667 20-ton freight cars on that secondary and single track railroad. Transportation of fuel from other points in Russia would entail similar difficulties, particularly since the minimum gasoline requirement would amount to two-thirds of the total annual Russian production of gasoline in the general region of Turkestan (315,000 metric tons). Again, in practice, the actual gasoline requirement probably would exceed Russian output in this area. Chinese oil production in Kansu (less than 10,000,000 gallons of crude annually) would be of no significance in operations of this magnitude.

The Northern Approaches Through Siberia

Supplies for Chungking might be routed eastward across the Atlantic from New York, past Murmansk and Archangel, to the northern Russian rivers, the Ob and the Yenisei, or westward from the United States' Pacific coast to the Lena River. At the river mouths, supplies would be transferred to river boats and barges and shipped southward to intersecting points on the Trans-Siberian railroad. Although the Ob and Yenisei rivers can be used only during the ice free months of August and September, it is estimated that some 30,000 to 40,000 tons of supplies could be handled during this period, if full use were made of available shipping facilities.

On the other hand, ships using this Arctic route must be constructed to resist the ice, and in any case could make only one trip a year from the United States. Even if these disadvantages were overcome, use of the river routes would add

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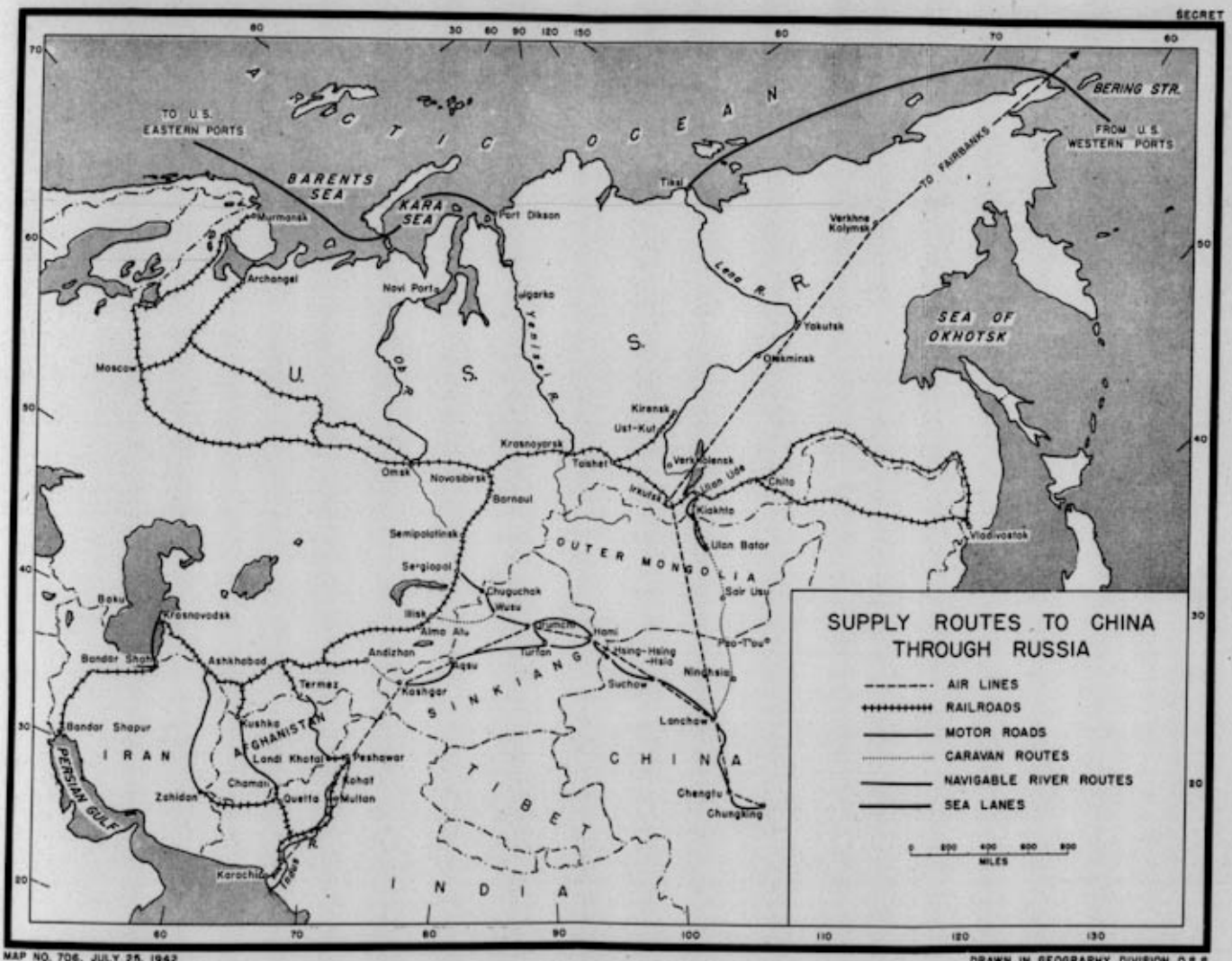

MAP NO. 706, JULY 25, 1942

DRAWN IN GEOGRAPHY DIVISION, O.S.S.

little to the solution of the general problem. If goods were transshipped to Sergiopol by rail from the points where the rivers join the Trans-Siberian railroad, the fuel problem for the Sergiopol-Chungking run would remain unchanged. And the same difficulties would be met in supplying fuel to keep goods moving, if the truck route from Kiakhta through Ulan Bator to Lanchow were used instead of the railroad. Moreover, the quality of the road which is believed to follow the old caravan trail from Ulan Bator to Lanchow is unknown, and the route passes perilously close to Japanese controlled territory.

Air Routes to Lanchow

A possible air freight route to China connects Fairbanks, in Alaska, and Lanchow, by way of Verkhne Kolymsk, Yakutsk, and Irkutsk. Some 900 cargo planes, carrying 4-ton loads on 600 mile jumps, would be required to move 15,000 tons monthly from Fairbanks to Lanchow. Gasoline requirements, delivered at fields along the way, would total approximately 15,000,000 gallons of gasoline per month. Fuel again would present the major difficulty in moving substantial amounts of goods over this air line, even if 900 cargo planes were available. While the Russians undoubtedly have large stocks of gasoline, these are being hoarded in anticipation of an attack by Japan. Moreover, the provision of so great a supply of fuel at the various landing points would be a practical impossibility, due to lack of tank cars and the present strain on the railroads.

Another proposed air route would connect Karachi and Chungking by way of Kohat or Peshawar, Kashgar, Aqsu, Urumchi, Hami, Suchow, Lanchow, and Chengtu. As an air line this route has some advantages. Weather offers few obstacles. The highest section on the route is less than 18,000 feet, and only 30 miles in extent. It has been suggested that the Peshawar-Kashgar air section of this route might be utilized in combination with land transportation on other sections. Such a land-air route might use the Northwest Indian railroad from Karachi to Peshawar on the Afghanistan border, link Peshawar and Kashgar by air, and then follow the old South road of Turkestan through Aqsu and Turfan to Hami, where it would join the Sino-Soviet highway. In the case of these routes also, fuel remains the major obstacle.

Political and Military Obstacles

Russian fear of offending Japan and provoking Japanese attack is at present a major political obstacle to any extensive scheme for supplying China through Russian territory or even through the Russian influenced Chinese province of Sinkiang. In the past the Russians have been willing to send military supplies to Chungking despite ideological differences. At present, however, the Russians are adhering to the policy they announced in the spring of 1941 and are not allowing the transit of munitions through Russian territory to China, and they themselves are sending no munitions to China.

Finally, all routes converge at Lanchow. Four hundred and fifty miles northeast of Lanchow lies Pao-t'ou, the Japanese base at the terminal of the Peiping-Suiyuan railroad. The desert route between the two cities leads westward from Pao-t'ou around the great bend of the Yellow River and then south through Ninghsia. A Japanese advance on Lanchow would call for great exertions, but if truck or air transportation should threaten to become a matter of major importance, the Japanese might well undertake a serious campaign against Lanchow.

APPENDIX II

GERMAN-JAPANESE BLOCKADE-RUNNING

Blockade-running between Germany and the Far East is becoming increasingly important, according to data compiled largely from British sources by the Far Eastern Section of the Office of Strategic Services. Present traffic, if allowed to continue, may be adequate to meet the deficiency in Germany's essential requirements in rubber, and may considerably ease her position in tin, wolfram, and hemp. At the same time, Japan may add significantly to her productive capacity through the import of essential machinery. While the British ministry of Economic Warfare has publicly minimized the success of blockade-running, and actual tonnage figures are relatively small, private reports to the Ministry stress the strategic value of the cargoes involved.

Tonnage and Cargoes

Eleven ships are known to have run the blockade from Japan to Germany since July, 1941, eight of them since January, 1942. At least six ships have succeeded in reaching Japan from occupied Europe. Germany is estimated to have received between 55,000 and 60,000 tons of cargo (including about 25,000 tons of rubber), while some 35,000 tons of war materials from Europe have reached Japan. German imports (past or anticipated) include wolfram, hemp, silk and cotton tissues, beans and peas, camphor, menthol, isinglas, peppermint oil, and fish oil; those of Japan, 20,000 spark plugs, ball bearings, bevel gears, milling and hobbing machines, abrasives, forging presses, optical glass, large boilers, gas cylinders, calcium chromite, strontium nitrate, strontium carbonate, a cartridge making plant, and a complete hydrogen plant for Manchuria.

The British Ministry of Economic Warfare believes that Germany still has 13 or 14 ships of types suitable for blockade-running. In Bordeaux alone there were, at the end of May, 1942, some 18 ships belonging to Axis or Axis-controlled nations which could make the journey to the Far East without refueling. These ships had a total gross registered tonnage of 123,460 tons, averaging about 6,500 tons each.

The Japanese-German trade uses two routes: via the Dutch East Indies and the Cape of Good Hope to Dakar (10,000 miles), via the Pacific and Cape Horn to Dakar (14,000 miles). As recently as June 6, ships reportedly of Spanish registry were carrying cargo from Spanish ports around Cape Horn to Thailand, refueling at Portuguese Guinea, Rio de Janeiro, and at some base in the Pacific, it is believed.

Some Factors in Axis Success

On the European end of the blockade, both French shipping and French ports have proved helpful to the Axis. The Vichy merchant marine is entirely under the scrutiny of Axis agents, who can requisition whatever incoming goods to Unoccupied France they desire (*The War This Week*, July 9–16, pp. 19–21). Use of the overland rail route from Casablanca to Oran is the usual method of thwarting the blockade at Gibraltar.

Blockade-running is favored by fog off Cape Horn, which often aids enemy merchant ships to slip unobserved past the British naval base in the Falkland

Islands. The extension of Japanese control over the South Pacific Islands has increased the length of the sea lane over which Axis ships may voyage with relative safety. Japanese control of a large part of the Indian Ocean has facilitated the safe westward voyage of enemy ships going around Africa. At the same time, the possession of advanced bases in the South Pacific enables the Japanese to engage in such extensive submarine warfare that naval forces of the United Nations must concentrate on guarding convoys, leaving few ships available for hunting blockade-runners.

APPENDIX III

PROPAGANDA IN IRAN

Iran is the one spot where the United Nations have established territorial contact. On the propaganda front it represents a meeting place of all the belligerents. For this reason it assumes unusual importance as a testing field for United Nations cooperation as well as a laboratory for proving the effectiveness of various methods of propaganda, according to a current memorandum of the Near Eastern Section of the Office of Strategic Services.

German Propaganda

The first significant appearance of German influence came as a result of the partition of Iran between Russia and Great Britain and the failure of the mission of the American, Morgan Shuster, to counteract the results of partition during the years 1907–1910. A majority of the ministers in 1911 were Germanophile. During the war of 1914–1918 German agents—Wassmuss, Shuneman, Wolfinger and others—were able to stir up military revolts in Iran, forcing the British to divert 20,000 troops to protect the oil wells.

After the war, large numbers of German youth migrated to Iran, finding conditions in Germany difficult. They were willing to take any kind of work to make a living, and were especially useful in the newly developing industrial plants. They were quiet and lived on a standard not much above that of Iranis, and they satisfied a basic need for mechanics and similar services.

After 1933 these young Germans were forced into the Nazi party, as German organizations penetrated Iran and drove out all competitors. The large chemical, electrical and pharmaceutical companies such as Siemens, Bayer, and the AEG opened offices. They brought trained Nazi personnel, sent young Iranis to Germany to study, and by 1941 had monopolized all important trade with Iran except that controlled by the Anglo-Iranian Oil Company. By taking over the Skoda Company in 1938, their technicians dominated every phase of transportation, manufacturing, and trade. In 1928 under German auspices, two excellent trade schools were opened. Graduates spent twelve to eighteen months in Germany.

The Nazis thus identified themselves with Iranian industrial progress (which had largely been discouraged by Russia and England). By identifying themselves as Aryans—and even as descendants of the ancient Carmanians (Kerman-Ger-

man)—they flattered Iranian pride and promised deliverance from the encroachments of the two greedy powers who had threatened Iran's independence in recent generations. So successful was this approach that the Nazis were allowed to establish a Brown House in Teheran, and some 2,000 young men, secretly armed, held military drill and maneuvers in the environs of the capital. Nazi ideas of a dictatorship, combined with anti-Jewish theories, appealed to the ruling class.

Italian and Japanese Propaganda

Italian propaganda has been unimportant. About 600 Italians were employed as foremen in building the railroad and in bridge construction. They were, however, not politically minded and carried on little or no propaganda.

Japanese propaganda died still-born. About 1932 the two powers concluded a barter agreement by the terms of which the Japanese bought large quantities of opium from Iran. But in return, the silk they sent rotted on the shelves, bicycles were made of soft iron, watches did not run. In two years the Japanese were in bad odor, and their value to Iran ceased. The Germans took over the trade.

Propaganda by the Russians

The invasion of August 25, 1941, was accompanied by the dropping of thousands of leaflets setting forth the promises of both parties to respect Iranian sovereignty and territory and their desire to drive out German agents (who were a menace to the Russian oil fields in the rear). Since then Russian propaganda has taken the following forms:

(1) Russian troops have shown excellent discipline. There has been no drunkenness, frivolity, or lawlessness. The army was mostly a peasant army—which has served as the spearhead of socialistic propaganda. Iran still exists under the manorial system with rich absentee landlords. The Russians have stationed a small post of two to ten peasant soldiers in all important villages. These men live as simply as the villagers, tell of the way in which they got rid of their own landlords and how they now receive compensations in medicine, education, etc. This has been extraordinarily impressive to the "share-croppers" of Iran. Russian soldiers have paid for all services.

(2) Cinemas on trucks have toured the larger centers. They show films of the recapture of Tula, the victory before Moscow, the blowing up of Nazi tanks, the crash of Stukas. These are interspersed with pure propaganda films. The Russians have shown that Nazi panzer forces can be destroyed.

(3) Groups of talented Soviet artists and musicians have toured the largest cities. Uzbeg dancers with costumes of the 17th Century made a tremendous appeal. Speeches stress friendship between Russia and Iran—with a properly coached *claque* scattered through the audience.

(4) Newspapers in minority languages (Turkish and Armenian) are published in Tabriz. They glorify the Turks or Armenian Communards—martyrs of the Soviet system—and contrast former backwardness with present progressive changes. The large block of Turkish-speaking Iranis who were forbidden the use of their language, as well as other minorities, are encouraged to join the Soviet system where these cultural privileges are assured. Soviet papers are sold on the streets and pamphlets or single sheets given free with the purchase of each copy.

(5) Military reviews, with heavy Russian tanks and a hurly-burly, vigorous exhibition of Cossack cavalry, have given the Iranis a sense of fear of Soviet might and toughness.

(6) Activity aiming to break up Iranian unity is found in the open fraternizing of Soviet officials with Kurdish rebels, and in secret letters appearing in Baghdad written by Assyrian (Christian) groups in Iran. These urge the Assyrians of Iraq to join in forming an Assyrian-Kurdish State under Soviet protection.

British Propaganda

The British in Iran are very conscious of being unwanted. When they came last August, the troops were ordered to avoid all possible bloodshed. The resulting campaign gave an appearance of weakness, in contrast to the crushing impact of the Russian entrance. The British policy of the past 50 years of bribing or subsidizing Iranian leaders has made Iranis reluctant to identify themselves with the British for fear of a later nationalist reaction. It was reported that use of alcohol on the part of British officers and men, especially noticeable in a Muslim country, injured the British position at one time; but improvement has followed British efforts to control this situation. The main vehicles now used for propaganda are:

(1) The Nazi Brown House has been renamed "Victory House." Here booklets, pamphlets, and window displays are used. Teas are given, after which films are shown. Pictures are posted in bank windows, shops, and hotels.

(2) An attractive quarterly called *Ruzgar-i-No* (*The New Times*) carries articles on Iran, with rather too obvious pictures of British statesmen and London buildings. A new year's calendar, bearing the picture of Britain's Royalty was distributed—with negative results. An illustrated magazine, printed in Egypt, is distributed to the educated.

(3) Film selection has been unfortunate. Pictures of "impregnable" Singapore were circulated long after that bastion had fallen. Japanese victories over United States forces in the Far East made the latter look ineffective. Other films show sham battles in Salisbury Plain, etc.—in weak contrast to Russian and German films of actual war.

(4) On the radio the Iranis prefer the Nazi newscasts, as was illustrated by an incident at Isfahan, when public radios were seized—and later restored. The British disclaimed responsibility and gave the appearance of vacillation.

(5) Most important has been the importation of wheat and sugar, but the lack of supervision in distribution has vitiated this important means of creating good will, for these supplies have fallen largely into the hands of speculators. The resulting high price of food has created a reaction against the occupying forces. The monopolistic handling of imports by the United Kingdom Commercial Company has caused widespread irritation; this situation is now being corrected.

The Position of the United States

So far, the United States, being relatively new on the scene, has gained an enviable position: Iranis have known Americans as educators, doctors, financial advisors, archaeologists, and a few disinterested political figures. As a result, most intelligent Iranis have developed an exaggerated notion of United States philanthropy, disinterestedness, and good will.

To escape the Three Headed Monster of European encroachment, they would gladly seek the protection of the United States. As a result, the Government of Iran has asked for United States advisers in almost every department of government—agriculture, finance, war, police, and education. Some of these are already on the ground, some are on the way. It is the hope of Iranis that the United States may serve a double function in the future: helping to unite Iran during the war and thus counteracting the separatism encouraged by the division of Iran into Russian and British "spheres"; and guaranteeing Iranian independence when the peace is made.

Conclusion

As a whole the people are strongly pro-Nazi. They greeted Rommel's invasion of Egypt with enthusiasm, and expressed the hope that he would soon liberate Iran. Pro-Nazi elements openly state that, if Hitler takes care of the Russians, the Iranis themselves can drive out the British—a measure of the decline of British prestige.

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OFFICE OF STRATEGIC SERVICES

THE WAR THIS WEEK

July 30–August 6, 1942

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For the President

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Office of Strategic Services

THE WAR THIS WEEK

While virtually isolated Russian forces are fighting a desperate rear-guard action in the great bend of the Don, the Germans have thrust an armored spearhead deep into the Soviet defenses in the south. The Nazis have crossed the Kuban River, reached the main east-west rail line, and are nearing the foothills of the Caucasus. Further development of this offensive would trap the Russian forces west of the German salient and yield the Nazis the Maikop oil fields and the Black Sea littoral. Meanwhile an eastward German drive south of the Don may soon become one of the prongs of a pincer aimed at Stalingrad. As the Germans swept on to new successes, Ambassador Maisky twice this week, in private statements in London, described his country's extremity in unvarnished words and summoned the Allies to create a second front.

In France a responsible Vichy official, supported by the views of other observers, foresees new German pressures leading to a possible rupture in Franco-American relations before November. Laval's success in pleasing his German masters—especially in labor recruitment—continues to be mediocre. Meanwhile he is making every effort to consolidate his position and to combat his leading rival, Doriot.

With the arrival of a German economic mission in Spain, it is reported that the Nazis are hoping to extract fresh concessions from the Spanish. On the other hand, the British are said to be gratified by the fact that the Spanish Government has made no outward change in its policy toward Britain as a result of the reverses in Libya.

In Egypt both sides continue to bring up reinforcements, as the stalemate reaches its sixth week; calm prevails among

the civilian population of the country, despite Axis statements to the contrary. The Germans are using the velvet glove with the Turks, but it is rather generally believed that the latter are still in a frame of mind to resist excessive Nazi demands.

While official Britain reëmphasized its position—that Cripps' earlier offer to India represented the maximum concession—the danger grew that the Indian National Congress would proceed with its threatened campaign of mass nonviolence. Various compromise moves were in the air, however, on the eve of the Friday meeting of the Congress Committee at Bombay.

Although current German successes in Russia might be expected to invite Japanese attack on a steadily weakening Soviet, outward quiet continues to prevail in the Manchurian area.

Stalin Calls a Halt

As the German armies poured over the lower Don to cut the Stalingrad-Krasnodar railway at Proletarskaya, Salsk, and Belaya Glina, and another Nazi column drove south from Rostov along the Caucasus railway to Kushchevskaya and the Yeya River, Stalin ordered the Red Army to stand its ground. To the south, the Nazis claim to have pushed to the Sea of Azov, to have taken Tikhoretsk, Kropotkin, and Voroshilovsk, to be attacking Armavir, and to have crossed the Kuban River—the best defensive line for the Soviet army north of the foothills of the Caucasus. To the east, the Russians are stubbornly holding off the invaders around Kletskaya in the great bend of the Don. Between the Don and Sal rivers, a thrust northwest toward Stalingrad has taken Kotelnikovo on the Stalingrad-Krasnodar railway.

Stalin's order represented a distinct change in Soviet policy, in the opinion of some American military observers, and a return to the defensive strategy of last year. In 1941, the Red Army stood its ground, and suffered disastrous losses

in men and materiel. Thus far this year, Timoshenko has evidently pursued the opposite course of withdrawing before the Germans could carry out their strategy of annihilation. Stalin's change of policy, if rigidly adhered to, might spell ruin in a year when the prime consideration is to keep the Red Army in being, at whatever cost in territory abandoned to the invader.

It is of course possible that Stalin's order was essentially a piece of rhetoric, calculated to bolster the morale of the nation. And its practical implementation may vary with the different sectors of the southern front. Below the Don, the Russian troops, weakened by the losses sustained in their withdrawal south of the river, will probably be able to make only local resistance. Despite reinforcements from the Army of the Caucasus, the Soviet cavalry and mountain units in this sector face a foe distinctly superior in tanks and mechanized equipment. Already a German mechanized column has apparently reached the main line of the Caucasus railroad around Armavir and to the southeast. Here the Nazis have outflanked the Russian troops on the Kuban River and placed themselves within striking distance of the excellent airfield at Mineralnye Vody. In the Don bend, however, the defenders of the Kletskaya line—apparently cut off from all avenues of supply or relief—have little choice but to fight it out to the end. Up to now, Russian attempts to establish a bridgehead west of the river for the relief of the troops in this area have met with failure.

German Goals

The present Nazi offensive now seems to have two chief goals. In the first place, the continuing day and night air attacks on the Stalingrad rail net and on Volga River shipping would suggest an impending operation against Stalingrad itself—perhaps in two prongs, the one a bridgehead across

the Don bend northwest of the city, the other a drive from the southwest up the railway from Salsk. The recent German seizure of Kotelnikovo doubtless represents the beginning of such an attack. Around Stalingrad, however, the Nazis would probably meet Timoshenko's strongest reserves.

In the second place, the continued advance of German mobile columns to the south probably indicates an effort to trap the defenders of the Kuban area by seizing the rail junctions of Tikhoretsk, Armavir, and Nevinnomisskaya. This operation, already underway, may be accompanied by a combined attack across the Kerch Strait against the Taman peninsula or south toward the Soviet naval base at Novorossiisk. These two drives, coupled with a third already in progress in the Yeya River area, would doubtless aim to annihilate the Russian forces northwest of the Caucasus, while cutting off the Red Army from the oil of the Maikop fields. In this event, the only avenue of escape left to the Russians would be the single track railroad and highway south from Tuapse along the Black Sea coast.

Thus far, Soviet attempts at a counter-offensive have apparently met with only limited success. The Russian operations around Voronezh and their large-scale attacks in the Rzhev sector have failed to relieve pressure on the southern front. To the north, the Nazi bombing of the Murmansk area has evidently heralded an attack on the Kola Peninsula. One drive has apparently started from Petsamo in the direction of Murmansk, while another one further south is progressing in the Louhi area at the base of the peninsula.

Maisky Speaks Out

In Russia's hour of peril, high officials of the Soviet Union have made no effort to minimize her desperate position. Rather they have spoken out, bluntly demanding a second

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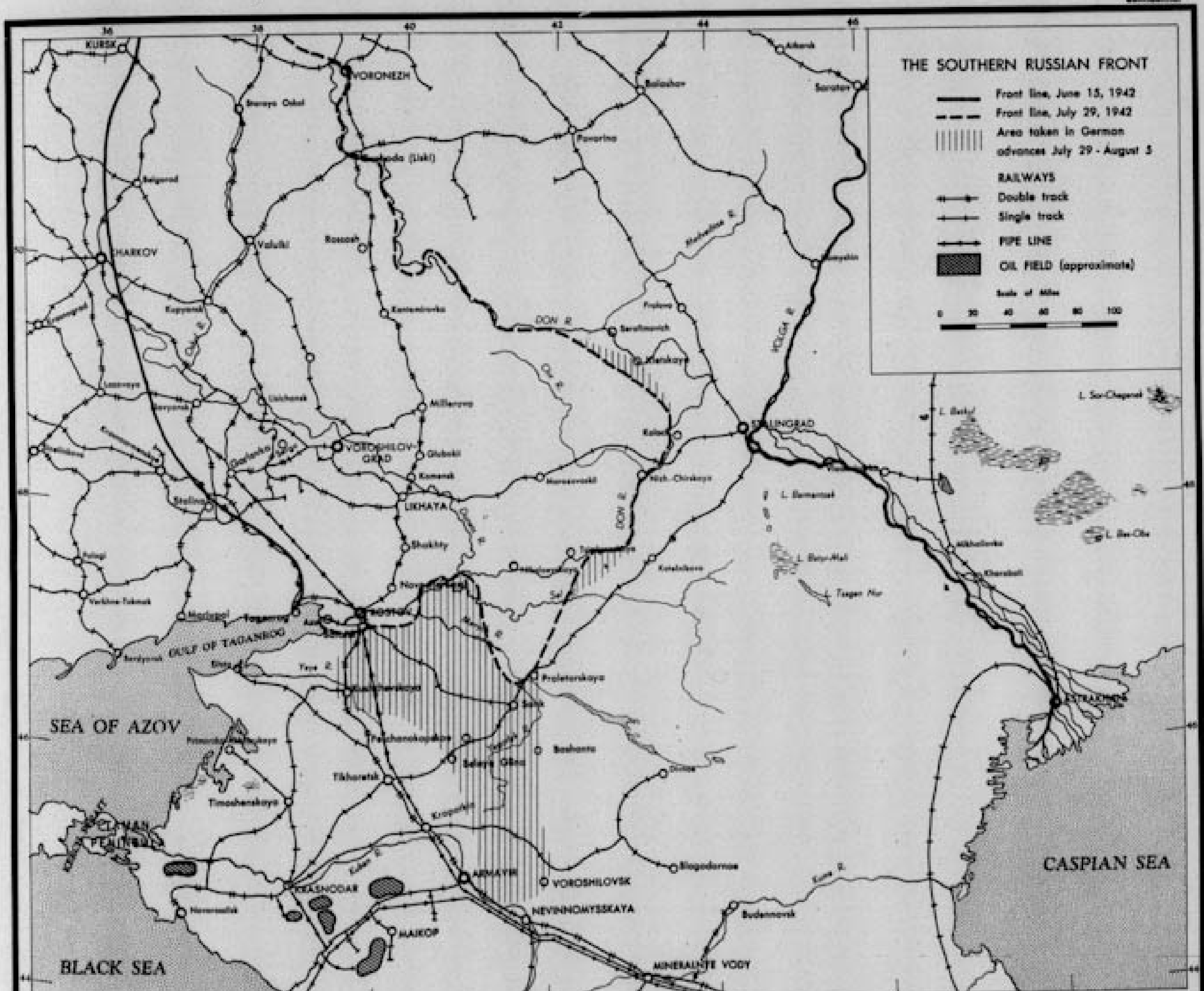

Map No. 915, August 1, 1942

Drawn in the Geog. Div., O. S. S.

front from Britain and the United States. Perhaps the frankest of these statements have been the remarks of Ambassador Maisky, first to a private gathering of 300 members of Parliament, and then off the record to 21 leading British newspaper editors. These statements, in the opinion of one highly placed American authority, represent the Soviet envoy's honest view of the situation, and are in no sense an effort to paint the picture blacker than it really is.

With losses in killed, wounded, and captured estimated at five million, the military power of the Soviet Union has probably reached its peak and by 1943 will be lower than today, Ambassador Maisky stated. The loss of the Ukraine and the threatened loss of the Kuban granary will leave Russia with a serious food problem for next year. About half the Soviet Union's steel and pig iron production, and three-quarters of her aluminum output are gone. Furthermore, the loss of a wide net of railways has increased the mobility of the German Army while comparably reducing the net available to the Soviet forces. To escape encirclement and annihilation, the Ambassador continued, the only course left to the Russian armies has been a steady withdrawal; only thus have they retained their fighting power and cohesion.

The answer to these rapidly mounting difficulties, in Maisky's opinion, is a second front. Britain and the United States must get over the dangerously complacent view that a preponderance in national wealth, industrial resources, and population will assure them the final victory. On the contrary, they must realize that with each month the balance is changing more and more in favor of the enemy. Unless the Allies concentrate a preponderance of their forces at a decisive place, no figures will save them.

There is a tendency, the Ambassador said, to postpone the second front until the spring of 1943. But in 1943 Germany

may be able to decrease the number of troops she must keep in the Soviet Union and to transfer large forces to the west. In that event, instead of meeting the second and third rate German divisions now located there, the British and American invading forces would meet first class, seasoned troops. In other words, the weakened condition of the Soviet Union would counterbalance the increased strength of the Anglo-Saxon powers; every division landed on the Continent this year would be worth two or three next year. Should the Red Army and the Soviet people be disappointed by their Allies, the Ambassador concluded ominously, that experience would live long in their memories.

Postscript on Russian Manganese

The German advance toward the Caucasus and the Volga threatens to deny to the Soviet Union not only its principal supply of oil, but also its supply of manganese. Germany has already adequately filled her own manganese needs through the acquisition of the mines at Nikopol on the Dnieper (*The War This Week*, July 23–30, pp. 5–6). She now threatens the principal remaining Soviet source of manganese at Chiaturi on the southwestern edge of the Caucasus. In recent years, manganese production at Chiaturi exceeded even that at Nikopol; the two deposits together yielded about one-half the world's output.

Other Soviet sources of manganese in western Siberia, the Urals, and Bashkiria might possibly produce about 280,000 tons of ore which, by German or even American standards, would possibly suffice for the limited steel output of unoccupied Russia. But the Russian rate of use of manganese per ton of steel is, apparently, much higher than the German or American. Stock piles are unknown, but are probably very large. It is possible, then, that with the loss of the Caucasus,

Russia's long-run manganese position would become seriously strained.

Nazi Policy in France and North Africa

A responsible Vichy official has again expressed the belief that there may be a rupture in the relations of Vichy and the United States before November. Our informant—supported by other Vichy observers—thinks that Germany's objections to the activities of American representatives in North Africa have come to outweigh the advantages of maintaining Vichy-American relations; and that the Nazis will therefore either secure further concessions from Laval as the price of his staying in power, or establish their own puppet at Vichy. Should the Nazis thus force a break in our relations with Vichy, Laval may be expected to make every effort to throw the blame on the United States, for fear of the reaction in France.

Both Vichy and the Nazis show some nervousness about the security of France against internal and external attack. While Vichy has announced precautions against a terrorist campaign, Germany is reported to have added a division of SS police troops to her forces in France, and to have organized small, mobile combat units (*Jagden*) to deal with parachutists, commandos, or internal opposition. There are also reports of a Panzer division and other forces arriving in France. A possible reason for German concern is the report that, of a group of officers whom Laval queried, an overwhelming number expressed their unwillingness to fight on Hitler's side.

Meanwhile Ribbentrop's personal envoy at Vichy recently made a trip to North Africa and was reported to have returned with another list of French officials whose sympathies were not sufficiently pro-German, and whose removal was therefore requested. This move coincided with an uncon-

firmed report that munitions for the Axis were being loaded at Marseille. On the other hand the French appeared to be resisting sending cobalt and vegetable oils from Africa to the Reich.

Laval's Internal Problems

Laval is apparently determined not to allow internal opposition again to squeeze him out of office, as was done in December, 1940. Since his return to power, he has therefore made every effort to get personal control of the instruments of force available. Having gained a firm hold on the administration and having brought the *Gendarmerie* under his immediate authority, he has now provided a governmental subsidy for the Tricolor Legion of 10 million francs—an obvious effort to win its support and undermine Doriot's influence. Laval also put through the cabinet a proposal for heavy penalties against disorders and the possession of weapons and explosives, a move aimed at circumscribing the activities of Doriot's PPF. He is likewise backing minor parties in opposition to Doriot, such as Déat's "parti unique" and, in the Unoccupied Zone, the SOL.

Laval's possible need of strong-armed support is clear. While Pétain is apparently increasingly insulated from what is being done under his name, Darlan is said to be actively enjoying Laval's difficulties. Although irritated with the Nazis for displacing him, Darlan continues to be eager for power and is believed to be ready to serve the Nazis if they give proof of winning (there is no evidence, however, that Darlan is planning to give any submarines to the Reich.) A story is also in circulation to the effect that the Banque Worms group of pro-Nazis may also be ready to desert Laval, probably in support of any move for Doriot.

Meanwhile the labor and Jewish problems persist. Laval is credited with blocking a scheme for the deportation of

10,000 foreign Jews. In the labor campaign a veiled conscription of "chosen volunteers" appears to be the only way Vichy can recruit anywhere near the number of workers Germany demands. The Nazis have agreed to free prisoners only in return for skilled labor, 50,000 of the former for 150,000 of the latter. To help the labor campaign, however, they have apparently agreed to release 1,000 prisoners after 6,000 skilled workers have arrived; but it appears that only 3,000 have thus far gone to Germany. The Nazis also are said to want 10,000 unskilled laborers from North Africa for work on Channel defenses.

Spanish Economic Negotiations

The German Economic Mission to Spain has arrived and consists of eight members supported by a group of technicians, chiefly from German industry. Preliminary conversations, it is reported, give the impression that Germany will insist upon greater Spanish cooperation in economic matters. The Spanish, in turn, are planning to demand larger delivery of German goods needed by Spain, and a guarantee that Spanish ships trading with the Americas may proceed on the high seas without being subjected to German contraband control. In the past Spanish ships appear to have enjoyed safe conduct, and, in return, have informed the Axis about all cargoes, and have conformed to an informal, but extensive, German contraband list.

A Spanish-Argentine economic agreement is reported to have been reached a few days ago, and according to this arrangement Spain will receive in the coming two years a million tons of corn and wheat from Argentina. Cuba, however, states that she is planning to terminate her relations with Spain in the next few days, with or without the pretext of Spain's expected answer to Cuba's prohibition of the sending of code messages by the Spanish Embassy.

Spain and the Belligerents

British sources report gratification over the fact that the Spanish government has made no apparent change in its policy toward Britain since the latter's reverses in Libya. The anticipated increase in pro-German sentiment has not as yet appeared, according to this source. In particular the Franco regime has shown a very satisfactory attitude with regard to the installation of German radio stations near Gibraltar. Rumors of an imminent internal crisis in Spain are discounted in London, although the future situation is viewed as highly uncertain.

From other sources, reports persist of the continuous military strengthening of Spanish Morocco, a movement that appears to be at least partially under German direction. There are also unconfirmed reports of an Axis submarine route off the northern coast of Spain, with submarines occasionally using Spanish ports for emergency repairs. On the other hand, there is no evidence of Axis air services or air bases on the small Spanish holdings of Fernando Po and Rio Muni on the Gulf of Guinea, according to diplomatic sources.

The Egyptian Stalemate

As the stalemate at El Alamein entered its sixth week, neither of the small opposing armies appeared to military observers to have sufficient advantage to launch a major offensive, although local successes were possible. The contest continued to be primarily one of reinforcement.

Ground operations were limited this week to patrols and skirmishes, following Axis recovery of the small areas seized at some cost in tanks by the British on July 27–28. Both sides were laying mines and digging in, with the bulk of enemy armored strength remaining in the central area. The principal role in this week's action was played by air forces.

Allied planes continued their intense attacks on enemy vehicles, supply lines, and concentrations in the forward area, as well as shipping and ports in Greece, Crete, and Cyrenaica. The Axis in turn raided the airport at Alexandria and struck at facilities at the airport of Heliopolis, seven miles northeast of Cairo.

The stalemate is not expected to continue indefinitely; it will probably be broken as soon as either side feels it has sufficient strength to take the initiative. The British are receiving reinforcements. At the same time about 500 Germans have been arriving daily by air, it is believed, in addition to other reinforcements coming by sea. A small number of tanks may also be reaching the forward area on barges, as a supplement to Rommel's recovery system. Although reports indicate further reinforcements are being gathered in Italy and the Aegean area, there are no immediate signs of any new campaign in the Eastern Mediterranean.

Egypt Remains Calm

Statements circulated by the Axis concerning widespread sabotage and anti-British outbursts in Egypt are almost entirely false, according to advices from Cairo. Only a few individual incidents have taken place, and to date the situation has in general remained calm. To strengthen internal stability, the Egyptian Government has made arrests among subversive elements and chronic malcontents, expanded military courts and the police duties of the army, and granted additional powers to local officials. A few prominent suspects have just recently been interned.

Germany's Relations With Turkey

In the political sphere the Germans are reported to be still in the "blandishment phase" in their relations with Turkey,

offering generous quantities of arms and apparently actually delivering about eight locomotives and 130 freight cars (more of which are expected shortly). It may be noted that the Turks have promptly transferred most of this equipment across the Bosporus to Asia Minor.

The Germans have not yet begun to put on the pressure, according to our report. The Turks are being modest in their requests for German aid and are still believed to be resolved to resist any excessive German pressure, although some American military observers entertain reservations on this question. The Germans were reported to have been disappointed when, after the Allied defeat in Libya, Turkey directed the deportation of seven Turkish subjects suspected of being in the pay of the Nazis. In moves which the Turkish staff suggests are being made to assure the defenses of all borders, the Turks are believed recently to have moved a total of perhaps five divisions from Thrace into the Trebizond area to the northeast.

Immediate anxiety over the Turkish wheat situation appears to have declined, although American shipment of 15,000 tons over the next two months is still urged by the Turks.

In Iran a cabinet change of minor importance has taken place. The new Premier, Ahmad Qawam As Saltanah, is a British protégé and will probably make an effort to reduce the corruption and inefficiency impeding operations in that country.

India: The British Government Hews to its Line

From the floor of the House of Commons, Leopold S. Amery, Secretary of State for India, has warned the Congress that Britain will vigorously resist any planned campaign of mass civil disobedience. Echoing the line taken by Sir Stafford Cripps last week, Amery implied that Cripps' offer

of last winter represented the maximum in possible British concessions. And like Cripps, he maintained that the transfer of power from Britain to India envisaged in the Wardha resolution would bring about "complete and abrupt dislocation of the machinery of government in India."

If these statements represent Britain's final position, then, according to an American observer in India, nothing can avert the campaign of mass non-violence that the Congress Working Committee has threatened. Cripps' broadcast has apparently irritated all shades of opinion in India, our observer continues, and he may have forfeited the position he formerly occupied as the one British political figure whom India trusted. A simple reiteration of the proposals of last winter can satisfy nobody, since those proposals have already been rejected by all important Indian groups, he adds. Nor does the Congress contemplate a chaotic interregnum between the abdication of the British Raj and the formation of an independent government, as Amery implies.

Compromise Moves

A key to the actual sentiments of India's nationalist leaders can be found perhaps in a confidential interview with a close friend and political associate of Nehru's. In his opinion, Nehru and Gandhi are not nearly so intractable as their public statements would suggest. While the British propose to give India increased self-government but no real independence for the duration of the war, Gandhi and Nehru are more interested in the principle of independence and less concerned about the interim settlement. So long as they could show to the Indian people a concrete British declaration of Indian independence, then they would be willing to leave Britain as much power in India as would be necessary for the efficient conduct of the war. Furthermore, a disinterested third party should guarantee the whole arrangement.

Like Azad, President of the Congress, Gandhi and Nehru would welcome any concrete proposal for a temporary settlement, based on the principle of independence, our observer concludes (*The War This Week*, July 23–30, p. 18). And Azad has added that the Congress could form an interim government in 24 hours. Or, if the British preferred to entrust power to the Moslem League or the liberal Sapru group, the Congress would not object, since any native Indian government would be preferable to foreign rule.

Meantime Sir Tej Sapru himself has proposed a compromise plan, which may win some moderate support. But since this plan envisages no more self-government than the Cripps proposals of last winter, it will scarcely find favor with any major political groups. The one feasible part of the scheme, in the opinion of our New Delhi observer, is the suggestion that the leaders of India's chief political parties should hold a conference to work out an interim settlement. This suggestion has received the support of Rajagopalachariar, who has apparently made some headway in arranging a meeting between Gandhi and Jinnah, President of the Moslem League.

With at least two compromise proposals now in the air, the time for compromise is running out. On Friday the Congress Committee meets at Bombay to discuss the Wardha resolution (proposing a campaign of mass civil disobedience). Furthermore, the Indian Communists, despite the favor recently shown them by the Government, have called on their British comrades to induce the Government to come to terms with the Congress. Finally, in areas like Bengal, the scarcity and rising cost of salt, sugar, and rice have created such discontent that a campaign of mass civil disobedience once launched, might eventuate in violent outbreaks.

A Misleading Revival of an Earlier Stand by Gandhi

In an effort to brand the Mahatma as an appeaser, the Government of India has published Gandhi's draft resolution for the Allahabad meeting of the Congress Working Committee of last April, calling for resistance to the invader by nonviolence alone—a resolution that the American press has promptly reprinted. In the view of an American observer on the spot, this document should be related to the context of events in which it was written.

The Mahatma composed the resolution in a moment of disillusionment. In his opinion, the debacle in Burma and the failure of the Cripps mission revealed an unwillingness and an inability on the part of the British to defend India. The war, he believed, was not a people's struggle, but an imperialist conflict in which the British were not permitting the Indians to fight as free men. He even suspected that the British would prefer to give India to the Japanese rather than to the Indians themselves. In these circumstances, he concluded, non-violence was the only course of resistance left open to the people of India.

Gandhi's statements have often been enigmatic and contradictory. The recently published draft is no exception to the rule. But it is of some importance that in April the Congress Working Committee accepted, in place of Gandhi's controversial text, a more moderate statement written by Nehru. Furthermore, the Mahatma's Allahabad draft is no longer representative even of his own views. Gandhi's recent statements clearly indicate that, like the majority of the Congress Working Committee, he now favors armed resistance to the invader. On the eve of the meeting of the full Congress Committee at Bombay, the Working Committee has once again defined its position, demanding the "withdrawal of British power so as to enable India to become an ally of the United Nations and fight aggressors" (on the organization and history of the Congress see Appendix II).

Japanese Initiative in the Southwest Pacific

Steadily maintaining the initiative despite Allied counter strokes in the air, small Japanese forces continue to expand their positions in the islands northeast and northwest of Australia. In the Banda Sea area, they have occupied Tual in the Kei Islands and are believed to have landed some troops at Dobo in the Aru Islands. Allied airmen attacked a light naval force (one light cruiser and four destroyers) operating in the Banda Sea area, but with unknown results. In the Solomons, new landings apparently have been made on Malaita Island. On nearby Guadalcanal Island, air facilities for land-based planes apparently are nearing completion, presaging possible future air attacks on Noumea, the American base in New Caledonia, less than 1,000 miles to the south.

On the Papuan peninsula, where more than a week ago patrol clashes had occurred near Kokoda, the situation remains relatively static. Nevertheless a small contingent of Japanese troops has landed at Katuna, 10 miles north of Gona, and the appearance of numerous transports and cargo vessels in the Rabaul-New Ireland area indicates that further reinforcements are arriving, screened by Japanese fighter planes based at Rabaul, Gasmata (New Ireland), Lae, and Salamaua.

Aleutian Activity Continues Unabated

The United States has now established a unified command for the Aleutian area under a naval officer, and is maintaining aerial raids and reconnaissance. Japanese activity continues, being greatest on Kiska Island where there are now two camps and, in preparation, a landing strip for planes and numerous large emplacements for anti-aircraft guns. Reconnaissance has now revealed such emplacements on Little Sitkin Island, but periodic searches have revealed no Japanese activity north of the Aleutians, i. e., on the Pribilof

Islands, Hall Island, or St. Lawrence Island. However, the Japanese occupational force is estimated as including at least 10,000 men, including civilians (construction laborers, etc.).

Continued Quiet in Manchuria

The Japanese radio, unlike its procedure before Pearl Harbor when it was belaboring the natives in the southwestern Pacific and had to justify to its own people hostility towards the United States, is now very non-committal on relations with Russia. No Japanese propaganda could affect the Russian attitude and none is needed to convince the Japanese that Russia is their enemy. Premier Tojo also said not a single word about Russia when opening recently a series of rallies timed to coincide with the first anniversary of our "economic blockade" of Japan, although he is reported to have stressed the European Axis' victories over the other Allies. It is unlikely that Tokyo, if it plans to invade Siberia, will dilute the element of surprise by advance publicity from which it has nothing to gain.

As for Yamashita's supposed presence in Manchuria, a more detailed report states that he left Singapore July 12 for Manchuria by way of Tokyo and has received the designation of Commander of the First Front Army. At the same time Tokyo is reported to have recalled eight high ranking military and naval officers from the southwest Pacific.

The rumors of Japanese reinforcements for Manchuria have continued. The Chinese, as is their wont, claim vast transfers both past and current; British sources specify two additional infantry divisions (possibly the divisions in the recent convoy); but there is no adequate confirmation of any arrivals since those last noted in this publication. A report from Tokyo that a new Japanese minister is proceeding to his post at Kabul, Afghanistan, by way of Asiatic Russia might signify that Japan contemplates no immediate action.

Army Air Operations in China

The American air force in China has continued offensive operations with a sharp raid on Fu-chou, Japanese-held town in Kiangsi (not to be confused with the larger coastal city of Foochow in Fukien), and it has successfully defended itself against intensified Japanese efforts to knock out the American air base at Heng-yang in Hunan. During its first month of operations in China, this unit carried out successfully more than ten raids, all of them made without deaths or loss of planes in combat. Cities raided included Canton and Hankow, and the chief targets were air bases, river boats along the Yangtze, various Japanese headquarters, and supply depots. American air officers are reported to be optimistic over the excellent results which have been achieved.

Land Fronts in China Remain Quiet

Along the Chekiang-Kiangsi railroad there has been relatively little activity. The Japanese are repairing the railroad between Hangchow and Kinhwa (Chin-hua) and may possibly resume operations westward at a later date, according to reports from the Chinese intelligence service. There continue to be reports, as yet not verified, that the Japanese are undertaking a serious drive against areas held by the Chinese Communists in northeastern and southeastern Shansi, and some reports say that the Japanese have already achieved definite results. These operations, if successful, would help to insure the Japanese against possible pressure on their flank in case of an attack on the U. S. S. R.

Sabotage in Korea?

Accounts of sabotage in Korea which have recently been given prominence in the *New York Times* and other American newspapers have emanated from Mr. Kilsoo Haan, Korean

propagandist, and self-proclaimed recipient of Korean espionage reports. Haan claims that attacks were made in February and March upon airplanes and hangers at Heijo and on Saishu Island, oil tanks and tankers at Gensan and Yuki, naval and military ammunition dumps and warehouses in various places, and railroad cars loaded with military articles and troops at Shingishu and Tumen. Police stations and Japanese residences were also reportedly attacked, and a hydro-electric power project dynamited.

These reports are not in themselves incredible. Korea is known to be hostile to Japanese rule and the sweeping changes made since May in the Japanese colonial administration might indicate that there has been trouble and unrest. Three key officials have been replaced: the Governor-General, the Civil Administrator, and the head of the Spiritual Mobilization Department. The new incumbents of these posts, General Kuniaki Koiso, Takeo Tanaka, and Lieutenant General Bunzaburo Teraguchi, are all noted for their severity.

On the other hand, however, the credibility of these reports of sabotage depends upon the reliability of Mr. Haan. Korean-born and Hawaii-bred, Haan has been a Salvation Army officer and an employee of the Japanese consulate in Honolulu and is now the leader and spokesman of the radical minority group of Korean Nationalists. His sources, according to his own account, are Korean agents in South America who masquerade as Japanese, secure information of activities in Japan and Korea, and relay it to him through third parties. The vagueness of these supposed channels of information, coupled with the obvious interest which Mr. Haan has in securing publicity for Korea, have generated some skepticism among authoritative sources concerning his reliability.

APPENDIX I

JAPANESE AGRICULTURAL GAINS IN THE PHILIPPINES

Conquest of the Philippines—essentially an agricultural area—gives Japan control at once of important surpluses of copra and coconut oil, hemp and cordage, sugar and alcohol. Since the Philippines can readily be rendered self-sufficient in foods, these surpluses can be made available without imposing appreciable hardships upon the Filipinos. The Japanese gains, therefore, are not offset by corresponding economic liabilities, according to a current analysis by the Economics Division of the Office of Strategic Services.

The precise importance of these agricultural acquisitions to Japan's war effort are, however, more difficult to measure. In vegetable oils and sugar, the Japanese Empire has long been self-sufficient. Coconut oil can be used to provide glycerin for the manufacture of explosives. But we do not yet know how much use Japan makes of nitroglycerin, nor the extent to which such requirements are fulfilled. Sugar can readily be converted into alcohol for fuel. But the importance of alcohol as fuel again will depend on the rapidity with which the Japanese are able to exploit conquered oil-producing areas.

Japan's need of hemp and cordage, however, is clear. Her navy, merchant marine, and fishing fleet have always been deficient in cordage, and imports were of relatively poor quality. In the abaca and maguey surpluses of the Philippines, Japan has acquired ample sources of cordage of superior quality. Finally, Philippine exports of tobacco will make some contribution toward supplementing Japanese supplies, the bulk of which formerly came from the United States.

Immediate and Long-run Gains

Some supplies of all these Philippine commodities were available to Japan early in 1942: in part from the 1941–1942 harvest, but mostly from stocks (the totals involved are shown in column 1 of Table I). The Japanese campaign in the Philippines coincided with the period when most 1941–1942 Philippine crops were being harvested. As a result, with the exception of sugar (which is harvested earlier), yields were reduced. On the whole, therefore, significant supplies will not be forthcoming until early 1943.

The magnitude of future surpluses of export crops available to the Japanese, beginning with 1943 harvests, will depend largely upon the way in which the Philippine food problems are solved. Maximum future surpluses can be obtained by a reduction in Philippine domestic consumption, combined with maintenance and intensification of export crop production. The estimate in column 2 of the accompanying table assumes such a policy. But it is unlikely that this policy can prevail for long, if it is instituted at all. Increases in the acreage under food crops will soon be necessary. If we assume certain land use adjustments to this end, an estimate of the reduced export surpluses available to the Japanese is presented in column 3. The change-over to the new situation, however, will take

more than a year; consequently the 1943 surpluses probably will be somewhere between the two estimates.

TABLE I.—*Japanese agricultural gains from the Philippines*
(metric tons)

Commodity	Immediate Acquisition	Surpluses in the Near Future	
	(1)	Maximum (2)	Most Probable (3)
Copra	145, 000	325, 000	315, 000
Coconut oil	50, 000	297, 000	163, 000
Converted to oil	141, 000	412, 000	360, 000
Sugar	800, 000	900, 000	600, 000
Molasses	120, 000	315, 000	95, 000
Converted to alcohol (gals.)	106, 000, 000	122, 000, 000	81, 000, 000
Abaca	75, 000	200, 000	165, 000
Maguey	10, 000	20, 000	13, 000
Cordage	4, 500	13, 000	10, 000
Tobacco	4, 000	12, 000	8, 000

Impact of the Japanese Conquest on the Philippine Agricultural Economy

Since the Philippine Islands are normally almost self-sufficient in foodstuffs, the necessary internal adjustments can be made readily. The chief imports formerly were rice, together with smaller quantities of fruits, vegetables, meat, and dairy products. Study of the land use capabilities of the Philippines suggests that acreage devoted to coconut, sugar, and tobacco crops will be reduced and turned instead to the production of rice, corn, and root crops. Rice acreage can be increased relatively soon by about 6 percent, corn by some 15 percent, and root crops by about 60 percent.

With such adjustments, domestic requirements in these three groups of commodities (which supply more than 50 percent of consumption, on a weight basis) can be met comfortably. This is seen in the minimum estimates of the following table.

TABLE II.—*Minimum production and consumption of important foods*
(adjusted basis)

	Adjusted area (hectares)	Production (metric tons)	Consumption requirements (metric tons)
Rice	2, 200, 000	1, 520, 000	1, 500, 000
Corn (and related products)	1, 050, 000	661, 000	576, 000
Root Crops	290, 000	985, 000	625, 000

The surpluses of corn and root crops will facilitate livestock production, which had earlier been neglected in the emphasis upon export crops. More chickens and hogs, and more dairy cattle will contribute, over a period of years, to remedying present deficiencies in these products.

Japanese Hopes for Philippine Cotton Production

Another and more direct way in which the Japanese expect to influence Philippine agricultural policy concerns the production of cotton. Japanese spokesmen say they expect production of this much needed commodity in the Philippines to start almost immediately. However, there is little likelihood of any significant output in the near future. Negligible quantities are now produced, but there are still problems to be solved in developing cotton varieties adapted to the soil and climate of the Philippines. Moreover, production of cotton will encounter serious problems of agricultural labor supply. The Japanese hope to shift half the sugar cane acreage to cotton, but, acre for acre, much more labor is needed for cotton than for sugar cane. The change-over is not to be accomplished overnight. Although all these problems can be solved, years of experimentation and adaptation will be necessary. Long before then, Japan may have encountered important cotton deficiencies, both at home and abroad.

APPENDIX II

THE INDIAN NATIONAL CONGRESS

With the current threat of mass civil disobedience in India, attention has focused once again on the Indian National Congress. The Congress is a political party, not an organ or department of the government. According to its constitution, as amended by the All-India Congress Committee in June, 1939, its object is "the attainment by the people of India of *pūrna swarajya* ('complete independence') by all legitimate and peaceful means."

Organization of the Congress

To be a member of Congress, a person must be 18 years or more of age, make and sign a declaration of belief in its objectives, and pay annual dues of eight annas (7½ cents). Such a person is called a "primary member." The total number of members varies greatly from year to year; the highest number ever claimed has been 4,500,000. In 1938, Congress stated that it had 3,102,113. Today it claims to have about four million, although its enemies say it has only a million and a half. The membership is almost entirely Hindu. The number of Moslems at present is supposed to be about 100,000 (the highest figure ever claimed was about 250,000). There are Sikh members as well. Although Congress draws chiefly from the Hindu community, it disclaims all communal aims.

The Congress divides British India into 19 Provinces. These do not correspond with the political division of India into 11 Provinces, but rather represent the Congress' ideas of a more logical division. It is to be noted that the Indian

(native) States, are not included in the Congress' divisions, since Congress has not been allowed to establish itself in those areas.

In each of these 19 Provinces there is a Provincial Committee, elected by all primary members of 12 months or more standing. The delegates to these Committees elect one-eighth of their number to constitute the All-India Congress Committee (A. I. C. C.), consisting of about 370 members, and they likewise elect the President of the Congress.

The Congress as a whole meets in annual session, attended by the President, ex-Presidents, and elected delegates of the primary members (chosen separately from the elections to the Provincial Committees). Between sessions, the A. I. C. C. functions for the Congress. The Working Committee of the A. I. C. C., consisting of the President and thirteen members, chosen by the President, is the executive authority of the Congress. It reports its proceedings to the A. I. C. C. Being an appointive body, it tends to represent the views of Gandhi, the strongest figure in the Congress.

From Reform to Revolution

The Congress was founded in Christmas week, 1885, by A. O. Hume, and a few Europeans and Indians with westernized sociological notions. Its purpose was to discuss social reform. The first presidential address by W. C. Bonnerjee contained expressions of gratitude to Britain for the good government she had given India, the railways, the new education from the West. The second president, Mr. Naoroji, spoke feelingly of "the blessings of British rule," which he characterized as "numberless," and stated his belief that events showed that "the people of England were sincere in the declaration made more than a half century ago that India was a sacred charge entrusted to their care by Providence, and that they were bound to administer it for the good of India, to the glory of their own name, and the satisfaction of God."

The change to an actively nationalist attitude on the part of the Congress was due, primarily, to disappointment at the slow headway which its proposals were making. It criticized the "home charges," consisting of payments on the public debt owed in London, charges of administration, and pensions; it complained of unduly large military expenditures, of the close connection between the judicial and executive branches of the government, of the lack of equal opportunity for Indians as officers in the army, of the neglect of general primary education. By 1900 Congress was severely questioning the sincerity of the British professions it had accepted so enthusiastically in 1885.

In 1904 a "radical" or "left" element—weary of the failure of moderate methods—began to struggle with the conservatives for dominance within the Congress. In 1907, under the pressure of continued grievances, including the partition of Bengal by the Viceroy Lord Curzon, the Congress split into two groups—the extremists, led by Tilak, and the old-fashioned moderates. The next year Congress adopted a "creed" calling for political rights. Since then it has never ceased to be a political body first, and a social reform body second, while today its political purposes far outweigh its purely social goals.

For some years after 1907 the fortunes of Congress varied, but after the first World War, under the leadership of Gandhi, it attained a commanding position among Indian nationalists. In 1916 the "radicals" gained control of Congress.

Since that date it has stood for reform by revolution (although not by violence) rather than by constitutional evolution. At first, Congress agitated for Dominion Status, but in 1929 it adopted an unequivocal resolution in favor of complete independence, which is today its paramount aim. In 1930 it led a bitter fight against the Simon Commission on Constitutional Reform.

Congress and the War

The new constitution embodied in the India Act of 1935 was put into operation in 1937. In the first election Congress won a majority of legislative seats in seven of India's 11 provinces, and a plurality in an eighth. It then set up ministries in the eight provinces. These ministries functioned until the end of October 1939, when Congress ordered the seven which it fully controlled to resign in protest against the declaration of war by the Government of India—an action taken without previous submission to the Legislative Assembly. The seven provinces have since been governed by executive action of the Governors under Section 93 of the constitution, except for Orissa, where a new ministry was formed in November 1941.

Leaders and Methods

The most influential member of the Congress at present is Gandhi; second to him is Nehru. The President, Azad, is a Moslem, but he is more than just a figurehead to entice Moslem support of the Congress, as enemies of Congress claim. Azad exercises a great deal of influence and takes an active part in forming policy. Rajagopalachariar, who resigned from the Working Committee in May, after the failure of the Cripps Mission, was second in importance only to Gandhi and Nehru.

At various times the Congress has been outlawed, and its leaders arrested on charges of sedition. In 1930–31 somewhere between 40,000 and 60,000 Indian political offenders, acting under Congress direction, were held for longer or shorter periods in jails and detention camps. In June 1932, it was officially announced in Parliament that nearly 49,000 persons had been confined in connection with the 1932 movement.

The extreme form of expression of Congress opposition to British rule is mass civil disobedience, or non-violent non-cooperation. Such a campaign consists of a boycott of British-owned shops and industries, the established courts, and government-owned or supervised educational institutions. Though these civil disobedience movements are supposed to be "non-violent", violence has always accompanied them. For example, during the three months from April 6 to July 7, 1930, there were literally dozens of outbreaks all over the country, including practical occupation by Congress agitators of Chittagong in eastern India and of Peshawar in the northwest. The power which Congress has shown in its previous campaigns has been out of all porportion to its membership and indicates that it has influenced large numbers of non-members to cooperate in working for its purposes.

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OFFICE OF STRATEGIC SERVICES

THE WAR THIS WEEK

August 6–13, 1942

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For the President

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Office of Strategic Services

THE WAR THIS WEEK

With unabated momentum, the German drive has continued this week to roll on toward the Caucasus. One spearhead has advanced half-way from Rostov to the Caspian and is threatening the Grosnyi oil field. Further west, a second German drive has overrun the Maikop oil field. And on the right flank, a column has swept through Krasnodar on its way to the ports of the Black Sea. Contrary to the expectation of most military observers, who anticipated that the Russians would meet the German drive with large forces north of the Caucasus, Timoshenko has withdrawn the bulk of his army for the defense of Stalingrad. For the moment the twin pincer thrusts aimed at that critical city have slowed, but the defenders of Stalingrad are faced with a supply problem of formidable proportions.

From France reports indicate some strengthening of Laval's position, a development which may well reflect increasing German anxiety concerning the maintenance of order in the event of Allied invasion. Nazi propaganda has recently shifted its "line" on the Second Front from one of humorous ridicule to one which stresses overwhelming German strength in the west, irrespective of Russian commitments.

In the Egyptian desert the reinforcement race continues, but observers anticipate a fairly early break in the stalemate with an attack by one side or the other. Meanwhile in Iran, the Lebanon, and Turkey, the persistent grain shortage is still causing anxiety.

In the southwest Pacific the American Navy and Marines have struck a vigorous and significant blow at the Japanese positions in the Solomon Islands. Strong footholds have been

seized on three islands in the Tulagi area, presumably including Florida and Guadalcanal. These, with Malaita Island, form the farthest outpost of Japanese power in this area—a spearhead aimed at the New Hebrides and eventually at New Caledonia.

In response to the adoption by the Congress Party of Gandhi's resolution calling for a non-violence campaign, the Indian government outlawed the Party and arrested various leaders. Although no definite date had been set, the campaign of civil disobedience at once began, with widespread cessation of work and some violence. The first reactions of the British and American press have been generally favorable to the moves of the Indian government; but anti-British sentiment has increased in India, and Chinese public opinion is reported to have swung sharply against the British.

The Germans Advance Toward the Caucasus

The rapid Nazi advance toward the Caucasus this week has made it abundantly clear that the Germans are meeting little Russian resistance north of the mountains, and that Timoshenko's decision to fall back on Stalingrad with the bulk of his forces has implied the virtual abandonment of the North Caucasus area. While to the south the invaders have swiftly advanced to the Maikop oil fields, their drives north and south of Stalingrad itself have made little progress.

In the Caucasus region, the German attack has developed in three columns. To the west, while flank forces have taken the seaport of Eisk on the Sea of Azov, the main column has progressed down the railway to Timoshevskaya and Krasnodar, an important oil refinery center (see map); the Germans now claim the capture of Slavyansk, northwest of Krasnodar. This advance is now continuing toward the Black Sea ports of Anapa and Novorossiisk across a terrain broken by many small rivers. Meantime, the Germans are

attacking these two ports and Tuapse from the air in an effort to break up Russian evacuation operations. Red Navy units are supporting the defenders. Military observers point out that the evacuation of the Taman Peninsula and the Black Sea ports must necessarily take place by sea, if the Soviet troops are to avoid crowding the single-track Black Sea railway and the coastal highway running south from Tuapse to Sukhumi and Transcaucasia.

The central column, after taking the rail and oil pipe line junction of Armavir and the Maikop oil fields (where the destruction of oil installations has probably already been carried out), has evidently now turned down the railroad toward the Black Sea port of Tuapse. This column will probably soon unite with the one farther west to mop up the whole Black Sea littoral north of the main chain of the Caucasus mountains.

But the most spectacular advance has been that of the easternmost column. Sweeping down the main Caucasus railway, this column in two weeks has advanced half the way from Rostov to the Caspian, taking Piatigorsk and threatening the Groznyi oil fields. Now headed toward Groznyi and Makhach-Kala, these units may have sent a detachment south toward Mikoyan-Shakhar and the Sukhumi Military Highway in an effort to cut off at Sukhumi the retreat of Red Army units down the Black Sea Highway.

The Defense of the Caucasus

Thus far, with the Russians withdrawing through the North Caucasus area, the Soviet Army of the Caucasus has apparently seen little action. In the mountains, however, the Russian forces may attempt to make a really effective defense. The available routes over and around the Caucasus mountains—the highway and single-track railway running south from Tuapse to Sukhumi, and the three military roads,

the Georgian, the Ossetian, and the newly completed Sukhumi Military Highway—are all interspersed with bridges or tunnels, readily defended or blown up. The last of these, 9,152 feet above sea level at its highest point, is snow-free only from the end of July to the end of September. The main east-west railroad north of the mountains, running through the comparatively well-watered foothills of the Caucasus, offers no good line of defense. But south of Makhach-Kala, the narrow pass (one mile wide between the mountains and the Caspian shore at Derbent)—the "Iron Gates" of the ancients—would afford an excellent defensive position. And there is good reason to believe that the Russians will make an effort to hold Baku at all costs. Finally, the Soviet Black Sea fleet, after evacuating Novorossiisk, could operate from Batumi and the excellent port of Poti.

Military observers suggest, however, that with the advent of parachute troops and dive bombers, mountains no longer represent a serious barrier to a powerful invading army. They maintain that Soviet forces in the Caucasus area are not strong enough to offer a serious impediment to a further German advance, should the latter decide to commit a substantial number of divisions in this area. There remains, however, the possibility that the Nazis will rest content with the occupation of the North Caucasus, while concentrating their forces for the reduction of Stalingrad and an attack on Moscow.

As for an advance toward Astrakhan, discussion of such a move would appear to be premature. The way due east from the Manych River area toward the Caspian Sea port lies through a semi-arid, grazing region with many dirt roads readily passable in dry weather, but no railroads. Here the country grows steadily more arid as one goes east, with the annual rainfall often as low as four to six inches. South and west of Astrakhan, there are extensive swamps. Faced with

CAUCASIA
Front line, June 15, 1942
Front line, August 5, 1942
Area taken in German advances, August 5-12, 1942
RAILROADS
Double track
Single track
STRATEGIC HIGHWAYS
PIPE LINE
OIL FIELD
Scale of Miles
CASPIAN SEA
BLACK SEA
TURKEY
IRAN
KERCH STRAIT
TAMAN PENINSULA
Kislyar
Derbent
L. Gokcha
L. Aral
Map No. 929, August 13, 1942
Drawn in the Geog. Div., O.S.S.

these formidable supply difficulties, the Germans would conceivably prefer to cut communications along the western shore of the Caspian farther to the south at Makhach-Kala, rather than risk at this time a difficult overland expedition toward Astrakhan.

The Defense of Stalingrad

Meantime, Timoshenko has evidently committed his reserves for the defense of Stalingrad. Both arms of the German pincers have slowed, as the Soviet troops in the Kotelnikovo and Kletskaya areas have counterattacked desperately. Around Kalach, however, for the first time in the current campaign, the Germans now claim a substantial number of prisoners; available evidence suggests that they have encircled a large Red Army Unit (a "great mass" of the 62nd Army and parts of the First Tank Army, according to the Nazis). With Timoshenko sending all available reinforcements to the Don bend, the *Luftwaffe* has been heavily bombing the crowded river crossings. In general, the defenders of the Stalingrad area face a formidable supply problem, since they depend on the Volga River and on one railroad line from the north, both of which are under constant bombing attacks. When the Germans come to establish a bridgehead over the Don north of Stalingrad, observers suggest that they may choose any point between the bend of the river and Voronezh.

Around Voronezh itself, the Russian attacks, after slackening for a week, have now resumed. In the Rzhev and Volkhov sectors, heavy Soviet activity has once again failed to make any appreciable change in the front. Around Leningrad, the Germans are apparently moving in the heavy siege guns used in the capture of Sevastopol. In the far north, the reported Nazi advance toward Murmansk has not developed any further. But the Germans now report that they have bombed

Russian troop and supply concentrations west of Kandalaksha Bay, on the White Sea, and have dropped bombs of the heaviest calibre in the northern part of the Kola Peninsula and on artillery positions west of Murmansk.

Laval's Position Reported Stronger

The deterioration of Laval's relations with the Germans appears to have halted this week, at least temporarily, and he has expressed satisfaction over his recent talks with German Army and Embassy officials in Paris. A reliable Vichy official who has in the past voiced fears of Doriot now feels that Laval's position has been strengthened and that the Doriot movement may be more quiet for a time.

Probably the primary reason for any improvement in Laval's relations with Berlin is the latter's apparently growing concern about maintaining order in France in case of an Allied attack. Laval has stated in the press and to his Council of Ministers that France must maintain a hands-off attitude if Allied troops invade France. The French people have been warned by Vichy that to respond to any incitement will bring only tragedy. Laval is also reported in the press to have taken new precautions against any terrorist campaign. If Laval has been able to convince the Germans that the appointment of Doriot would encourage the French to rise, it is understandable that the *Wehrmacht* and the Embassy would be prepared to sustain him, for the time being at least. The attitude of the SS and the Gestapo is not reported.

The French Labor-Prisoner Exchange

According to press reports, Laval has welcomed to France the first trainload of 1,000 prisoners, returned under the labor exchange agreement. Observers suggest that they probably

consist largely of the sick and unfit. In his welcoming speech, Laval announced that Germany has agreed to release 50,000 French prisoners (out of a total now estimated at about a million and a quarter) in return for 150,000 skilled workers. This statement would suggest that Laval has scaled down German demands, which at one time were placed at 350,000. Laval is also reported to be negotiating to have included in the French total those working on defenses in Occupied France and the laborers now being recruited in Morocco.

To secure this number of workers, Vichy is reported to be considering the "Bénoist Méchin plan." This proposes the mobilization of all French industry, after which certain factories will be shut down and moved to Germany as a unit—workers and machines. This, the sponsor declares, would be more efficient for Germany and less disrupting for France. Another report suggests that enrollment may be secured by creating unemployment through depriving further French plants of raw materials.

Developments in North Africa

From North Africa come new and disturbing reports that French trucks, together with North African foodstuffs, are again reaching Axis forces in Libya. On the other hand French officials directing the enrollment of workers in Morocco—which now totals about 2,000—are reported to be making an effort to avoid having a Nazi commission set up for the purpose. There are also reported under way extensive changes in top naval personnel in North Africa, including the replacement of Admiral Olive, commander of the forces in North Africa, by Admiral Moreau, and of Admiral d'Harcourt at Casablanca by Admiral Michelier, who has been at Wiesbaden. One informant suggests these changes may be favorable to our side.

Recent Spanish Troop Movements

In recent weeks the Canary and Cape Verde Islands have been reinforced by Spanish and Portuguese troops respectively, while the Spanish Moroccan army is at present estimated at 145,000 men. Tension in that area appears to have declined somewhat, with reports that newly arrived troops are now on leave for harvesting. Some observers suggest that the troop transfer may have been closely connected with internal Spanish politics, Moorish troops having been brought into Spain while markedly monarchist units and officers may have been selected for service in North Africa.

Change in Axis Propaganda Regarding a Second Front

Until recently the German press and radio had been treating lightly the subject of a Second Front, citing it as another Anglo-American bluff, and ridiculing this entry of Allied strategy into "the realm of fable". Ship sinkings were played up, and the whole idea of a Second Front proclaimed impossible.

Lately, however, the German line has changed sharply. Axis propaganda, as seen in the press and in an analysis of enemy broadcasts by the Federal Communications Commission, is now admitting the possibility of a large Allied invasion. It explains that Churchill and Roosevelt may be driven to this desperate gamble by Russian machinations and Anglo-Saxon fears of a disaster or seperate peace in the east. Factual arguments about the "hopelessness" of invasion—instead of its "impossibility"—now make up the burden of the increasing Axis propaganda devoted to the problem of the Second Front.

For example in *Das Reich* Goebbels recently stated that Germany, instead of stripping the west, is sending her best divisions there. He paints the picture of the Nazi war machine as ready to roll into action when the Allies land.

The coastal fortifications are proclaimed to be superior to the Maginot line, impervious to any bomb, in an article by a French engineer in *Der Neue Tag*.

The general propaganda plan is to present an all-over picture of strength on land and in the air, unaffected by commitments in Russia. The press of occupied countries has also been enlisted. A Vichy press directive instructed all papers to feature articles stating that the Allies may try to invade France and incite the French to rise, but warning that failure is inevitable and that any acts of violence against Germany would bring only grief.

The general implication that an invasion would end in another Dunkirk appears to be intended partially for reassurance at home, but primarily for its influence on the people of the Anglo-Saxon countries and Occupied Europe. The Nazis recognize in Western Europe a strong current of potentially active support for the United Nations. They show considerable concern over this problem and have threatened a blood bath to any whose actions are even suspicious in case of invasion. An American journalist who has closely followed the propaganda front suggests that the whole campaign reflects German uneasiness: if Hitler were fully confident of his strength in the West, why would he try to discourage a second Dunkirk?

Meanwhile the two leading Russian dailies are playing up every indication that Britian and the United States are planning a Second Front. Simultaneously the Soviet is treating its own front with a new seriousness, noting that even colossal Russia may not be able to weather continual withdrawal.

Reinforcement in Egypt

The stalemate in Egypt continues, but the rate of reinforcement is such that military observers do not think the present

impasse will last into September. One side or the other, it is expected, will launch a general attack, perhaps within the next ten days.

During July the Axis is believed to have received more than 30,000 troops, most of whom have arrived by air and more than two-thirds of whom are German. The latter include the entire 164th Division from Greece and Crete, which has been replaced there by an air landing division, part or all of which is considered available for the Egyptian theater. Despite Allied air activity, a considerable amount of shipping also has been reaching Libyan ports during July, carrying about 4,000 troops and presumably heavy equipment and critical supplies needed by Rommel to supplement captured stores and matériel. The British, in turn, have also received additional strength.

The ground situation this week has remained almost unchanged, with action limited mainly to patrols. Rommel appears to have consolidated his defenses, leaving German troops in the forward positions—apparently to spare his Italian infantry from the repeated raids the British had launched against them. Perhaps anticipating a British attack, the enemy early in the week stepped up its artillery fire. Axis strength in German and Italian tanks is believed to have been steadily growing, in addition to whatever recovered British and American tanks Rommel may have ready to throw into action.

Allied Air Success in the Desert

In the air the RAF, supported by a growing American air arm, continued the intense raids that were conservatively estimated (in early August) to have destroyed or badly damaged more than 800 enemy vehicles per week, and a total of about 400 aircraft since Rommel took the offensive in Egypt. In addition heavy and sustained raids have been

made on enemy ports and shipping, and on the self-propelled barges and light shipping that carry supplies and equipment to ports in the forward area.

Military observers give the RAF large credit for making possible the orderly withdrawal of the British Eighth Army, and for delaying the renewal of Rommel's offensive. Nevertheless, Axis forces are now believed to be receiving by land and sea adequate supplies for operational needs, with the prospect that these amounts will be increased in the near future.

Not included in the above air figures is Malta's record of 140 Axis planes shot down during the month of July. Bombers and fighters, averaging 20 to 80 per day, have attacked the island with great regularity.

Turkish Neutrality and Turkish Wheat

In presenting his new government to the Grand National Assembly, Prime Minister Saracoglu stated that Turkey would persist in its attempts to remain on friendly terms with both sides and to keep out of the war; but that if attacked, Turkey was determined to resist. He repeated these views in a secret conference with Turkey's leading editors, it is reported, pointing to Italy's present position as an example of what Turkey must avoid. A reflection of this independent spirit also appears in the Ankara radio, which has shown remarkable *sang froid* regarding the military situation in Russia. It has continued to make favorable references to Russian staying power and military potential.

It is too early to judge what the effect on Turkish policy would be if the Nazis were to advance into the southern Caucasus, or if Rommel were to break through in Egypt. Turkey might well still be determined to resist. Her envoy in Helsinki was reported to have remarked that Turkey's

position might under such conditions become more and more like that of Sweden.

The immediate Turkish wheat problem appears now to be less acute, and the Middle Eastern Supply Center is providing about 15,000 tons of wheat and barley, according to reports. The Turkish government, nevertheless, still desires that the United States ship additional wheat in the coming weeks. It is also negotiating to charter some French ships for carrying wheat, and has stated that Turkey may need to import 250,000 tons more or less during the current crop year. Turkey's grain crops and livestock are reported to be below normal. Another observer, however, doubts the advisability of large shipments to Turkey, suggesting that her goal may be to accumulate a reserve.

Near Eastern Grain and Political Problems

Political strife and a tight grain situation appear to be general throughout much of the Near East. In the Lebanon the premier threatens to resign if grain is not given him. The Spears-Catroux controversy is still a central issue in the Levant states, although some effort at adjustment has been made and De Gaulle will no doubt deal with the problem on his current visit there. Churchill's personal support of Spears apparently is unshaken.

In Iran the new government is considered strong and able, but it faces a wheat situation that is causing considerable concern, with civil disturbances threatened if an acute shortage develops. A United States food and supply adviser is being sent in response to Iranian requests.

Initiative in the Pacific

Assuming the offensive for the first time in the Pacific, American forces apparently have succeeded in establishing

substantial footholds on three Japanese-held islands in the vicinity of Tulagi, in the Solomons. Presumably these are Florida Island, where the Japanese had an important base at Tulagi Harbor; nearby Guadalcanal, where they had landing fields for aircraft; and possibly Malaita, which they had only recently occupied. Japanese forces on Guadalcanal in the first week of August were estimated at 3,000, while an earlier estimate placed the number on Florida Island at about 1,600. Although recent reports have told of Japanese forces on at least eight of the islands in the Solomon group, Japanese activity has been most pronounced on Guadalcanal and Florida in the south, and some 350 miles to the north, at Kieta on Bougainville Island.

Successful conclusion of operations at the southern end of the chain would diminish the threat of further Japanese penetration toward the New Hebrides and New Caledonia, designed to interrupt Allied supply lines to New Zealand and Australia. It would improve the Allied position at Port Moresby and at the same time secure a possible base for further operations northward.

American naval forces launched the offensive on August 7, and it had the advantage of initial surprise. On the same day, Army bombers heavily attacked Japanese naval units concentrated in the Rabaul area, about 600 miles to the northwest, where the enemy was himself making preparations. The following day, August 8, Allied reconnaissance planes reported sightings in the Rabaul area as follows: six cruisers, four destroyers, four gunboats, and two unidentified ships. All were proceeding southeastward. The next day, while reconnaissance again revealed numerous vessels at Rabaul and in the vicinity of the Solomons, four cruisers in the waters of Buka were heading northwest, away from the battle area—possibly an admission of defeat only two days after the battle had begun.

Showdown in India

In India the Congress civil disobedience campaign has begun with swiftness and decision. By a vote of 250–13, the All-India Congress Committee on Sunday approved Gandhi's resolution calling for a campaign of mass non-violence. Next day the British retaliated by outlawing the Congress Party and jailing Gandhi, Nehru, Azad, and other Congress leaders. Immediately thereafter strikes, riots, and sporadic acts of violence flared up in Bombay and other cities of western India.

The Congress Committee meeting opened in an atmosphere of tension. In Bombay, anti-British feeling—intensified by the high price and scarcity of kerosene and food—had reached a high pitch. As a warning of what would happen if the Congress Committee ordered a *hartal*, or general shutdown of business, the Government of India forbade the closing of shops and restaurants. Meantime, in a long and moving address, Gandhi called on the Committee to "remove the hatred of the British from our hearts," on the eve of launching "the biggest front in my life." "We are aiming at world federation," he concluded. "It can only come through non-violence."

The passage of the Working Committee's resolution—amended slightly to speak out more clearly for "armed" defense of India—was a foregone conclusion. The Working Committee had authorized President Maulana Abul Kalam Azad to appeal to President Roosevelt, Generalissimo Chiang Kai-shek, and Ivan Maisky, Soviet envoy to Great Britain, to intercede with the British for Indian freedom. Likewise Gandhi had drafted a letter to the Viceroy, containing a last minute plea for a provisional settlement, which he himself considered a basis for negotiations rather than an ultimatum.

Violence and Its Aftermath

The swift action of the Government precluded any consideration of Gandhi's message. With the imprisonment of the Congress chiefs, the campaign of civil disobedience—for which the resolution had set no definite date, since the decision was left entirely to the Mahatma—began in somewhat unorganized form in Bombay, Poona, and Ahmedabad. Apparently Congress chiefs staged a house to house canvass to obtain adhesions to the mass movement, and set up a schedule for the closing down of shops during the next few days. In Bombay, 26 textile mills stopped work, and the greater part of their 75,000 workers participated in the mass demonstrations. But the longshoremen, for the most part Moslems, evidently did not join in the agitation. Thus far violence, apparently slight, and largely limited to individuals not affiliated with the Congress, has been restricted to the looting of shops and interference with transportation services.

Later reports suggest that disturbances have now spread to Lucknow, Old Delhi, Madras, Patna, and Calcutta, and that the workers of the General Motors assembly plant near Bombay and the Tata oil company at Cochin have gone on strike. The demonstrators at Delhi, who may have been acting independently of Congress' instructions, include Christians, Sikhs, and Moslems, as well as Hindus. At one meeting, 50,000 were in attendance, including Communist laborers who expressed their solidarity with the Congress. Significantly enough, there have apparently been no outbreaks in Assam or the Punjab. Nor have the Hindu-Moslem clashes predicted by glib press commentators as yet materialized.

In some places police have connived with the Congress demonstrators. On the whole, however, the Government has acted with vigor, calling out troops in several cities, and imposing a curfew and a severe censorship. Police, firing on crowds, have killed at least 35 people and wounded many

more. Arrests may total as many as 500. According to one report from Bombay, the prisons are so crowded that the authorities have felt obliged to release some Congress sympathizers. Here the authorities have invoked the Emergency Whipping Act. Thus far the Governor has refused to proclaim martial law, and press reports now state that disorder in Bombay is waning. Although the early outbreak of violence has suggested that Gandhi might start a "fast unto death"—as he had apparently warned last week—there is as yet no indication that the Mahatma, weakened by age and high blood pressure, has embarked on this fateful course.

As for the future, an observer in New Delhi forecasts that the course of events is likely to remain obscure for several days—owing to the general confusion which has resulted from the arrest of the Congress leaders. The Government's action he maintains, has only driven under cover a movement which may now break out with greater violence than would have been the case if the Congress chiefs had been left in control. Furthermore, the censorship, he concludes, may backfire on its authors; the people will now fall prey to all sorts of wild rumors and may resort to Axis broadcasts for news on domestic events. In the view of another observer, the civil disobedience movement must prove successful within two weeks or suffer ultimate defeat by the Government.

Reactions: International and Local

In Britain and the United States most newspapers have accepted at its face value the statement by Leopold S. Amery, Secretary of State for India, that the quick action of the Indian Government had "saved" the country. According to one observer's report, the Government justifies its action by maintaining that intercepted orders to Congress district committees prove that the Congress might have launched its

campaign before the Viceroy had had time to consider the Mahatma's message. The *Manchester Guardian*, however, has taken an independent line, making a plea for "political commonsense" on both sides; . . . . "it is a humiliating weakness . . . . that so much of India refuses its support when, as we say, we are fighting for her liberties as much as for our own".

In India itself there is little doubt that anti-British sentiment has become further embittered. In the words of an American observer on the spot, the publication of Gandhi's draft Allahabad resolution (*The War This Week*, July 30–August 6, p. 15) served only to lower the prestige of India's masters. The reaction of Nehru and other Congress chiefs was apparently to conclude that compromise with Britain was now impossible and that hence civil disobedience was the only alternative left. As for the arrest of the Congress leaders, the same source reports that even moderates like Sapru doubtless feel that the Government has acted overhastily.

Warning against wishful thinking in the United States and Great Britain to the effect that Gandhi's influence among the Indian masses has fallen, an American observer in New Delhi points out that in addition to the Congress machine, and to his innumerable personal followers, the Mahatma can count on the support of the Trade Union Congress and the Congress Socialists. These last two groups would suggest a large following among organized labor—a group which Gandhi has always in the past refused to use for political ends. Now, however, the outbreak of strikes and factory disturbances indicate that labor will play a large role in the current movement.

A further element of importance on the side of the Congress is the half million Indian evacuees from Burma, who have nothing to lose and are evidently deeply resentful of

the racial discrimination shown them by the British at the time of their evacuation. In sum, our observer concludes, in the current struggle the Government of India will be able to count only on a majority of the depressed groups, liberals, and Communists (the last of these groups is, however, divided and incapable of cohesive action). The Moslem League has ordered its members to take no part in the civil disobedience movement.

As for the Japanese, the reported organization in Indochina of one or more divisions of Indian dissidents for the Japanese army would suggest that they are planning to take full advantage of India's disunion and vulnerability—perhaps when the monsoon season is over next autumn.

Chinese Reactions to the Indian Situation

Chinese public opinion has swung sharply against the British since the arrest of the Indian Congress leaders. In a cautious official statement, Dr. T. F. Tsiang has expressed Chungking's hopes for a speedy and satisfactory settlement of the Indian crisis but goes no further than to state the Chinese view that nationalism is a psychological phenomenon which can not be suppressed with guns or by imprisonment. Sun Fo, however, has stated flatly that "Chinese sympathy is entirely with the Indians." Chinese press editorials reflect this sentiment.

Typical of Chinese opinion is an editorial in the *China Daily News*, a New York Chinese-language paper, which declares: "We do not approve of Gandhi's non-cooperation policy, but with the development of bloodshed in India, the question now is not whether we agree or disagree with Gandhi, but whether we approve or disapprove the use of armed force to suppress the Indian people's independence movement." The editorial voices "grave protest and alarm at the reactionary imperialistic policy of the British Government in arresting India's leaders, suppressing her national congress, and slaughtering Indian people," and calls for immediate release of the Indian leaders and United Nations' mediation to bring about Indian independence, "so that the Indian people may not again lose faith in our war aims."

All Quiet in Northeast Asia

The Japanese radio is still hurling threats in all directions except Russia, although it has announced the transfer of 22 high-ranking military men to the "northern area." On the other hand, the Finnish radio (Lahti) thinks the least incident will precipitate Russo-Japanese war, while the British radio (BBC) relays a prediction by "Chinese experts in Chungking" of a Japanese attack by the 16th of this month.

There is little actual indication of further strengthening of Japanese forces along the Siberian border, although it now appears virtually certain that the convoy mentioned in previous numbers of *The War This Week* has landed at least two divisions in Manchuria, and there are rumors of reinforcements by other means.

In the Aleutians, American air raids have continued against Kiska, and United States naval forces bombarded that area on August 8. On their return these units were trailed by Japanese four-motored bombers. But this activity has not prevented the Japanese from further consolidating their positions. They are now believed to be in occupation of six islands (Attu, Agattu, Kiska, Amchitka, Little Sitkin, and Adak) with a force, as previously indicated, of something under 10,000 men, including those on vessels present in that area.

Cabinet Crisis in Cuba

The resignation of President Batista's cabinet on August 5 was the climax of a seven-week period of gradually mounting tension, stemming from the fact that, despite Cuba's entry into the war, a powerful minority, with great economic resources, has persistently resisted all efforts actually to prosecute the war. Of more immediate significance is the fact that the cabinet changes of June 20 failed to satisfy either the pro-war elements or the obstructionists.

At best the June 20 cabinet shifts represented a cautious attempt by President Batista, himself fully committed to the war, to purge his cabinet of anti-war and racketeering elements. The elimination at that time of Vega Ceballos, accused of being a member of the Spanish Falange, and of Alfredo Jacomino, met with the approval of pro-democratic elements. The designation of Ramon Vasconcelos as Minister of Education and Jose Suarez Rivas as Minister of Labor were well received by these groups. So was the subsequent appointment on July 15 of Dr. Jose Miguel Irisarri as Minister of the Treasury. On the other hand, the reappointment of members whose attitude toward the war had been at best only lukewarm did not satisfy the more militant popular groups. Further changes were therefore foreshadowed.

In the present crisis President Batista is under severe pressure by a well organized opposition including remnants of the A. B. C. party and the *Auténticos*, led by Batista's rival for the presidency in 1940, Grau San Martín. The *Auténticos* precipitated the August 5 crisis by refusing the invitation of the Batista coalition parties, the *Coalición Socialista Democrática*, to enter the cabinet. Coupled with this political pressure is an ever increasing economic pressure arising partly out of the shipping shortage and partly out of the bitter resistance of various business groups, landholders,

and cattle raisers to governmental wage and price controls which they interpret as illegitimate interference with their property rights.

On the other hand, the pro-war groups are countering with increased pressure of their own. A growing mass movement, led by the *Frente Nacional Antifacista* is chiefly responsible for the recent tightening up of anti-Axis surveillance measures directed especially against the Spanish Falange (*The War This Week*, July 23–30, pp. 19–20).

On the parliamentary front Juan Marinello, president of the *Unión Revolucionaria Comunista*, which forms part of the *Coalición* but which has not hitherto been represented in the cabinet, declared on July 26, as a gesture of solidarity with the government, that he would accept a cabinet post if it were offered him. This puts the issue before Batista in the clearest terms, especially after Batista's appeal to the *Auténticos* for national unity was rebuffed.

Shift in Brazilian Political Balance

Recent relaxation of the rigid ban on popular demonstrations and of the hitherto relentless persecution of radical elements give added significance to the Brazilian government changes of July 18 (*The War This Week*, July 16–23, pp. 13–14). These changes support the theory that President Vargas is being forced to reorganize his following because of his decided support of the United States. The President appears to be seeking compensation for loss of support among pro-Axis elements by conciliating groups he drove underground in 1935. Observers point out that Vargas finds himself in the contradictory position of being head of the authoritarian "New State" at the same time that he is dependent on American subsidies to overcome war-time economic difficulties and when he is cooperating actively with the democratic nations.

Removal of Pro-Axis Elements in Brazil

Adherents of the New State—such as Campos and Muller, both recently removed from key positions—draw inspiration from Italy and Spain and have tended to be sympathetic with the Axis. Campos, former Minister of Justice and Internal Affairs, has been the outstanding theorist and propagandist of the New State, and his *O Estado Nacional: Sua Estructura, Seu Conteúdo Ideológico*, published in 1940, is usually regarded as the official statement of the principles of Brazil's new order. Filinto Muller, formerly head of the federal secret police, was active in tracking down enemies of the New State, and was the subject of frequent complaint by reason of his open protection of Nazi agents. Part of the Army (headed by Minister of War Dutra and his Chief of Staff, Goes Monteiro, both admirers of German military efficiency) has also been more or less openly pro-Axis. Believing that the Axis will win, these factions view close collaboration with the United States with mounting dissatisfaction, a situation which in the past months has given rise to rumors of an impending army coup to unseat Vargas.

Recent governmental changes apparently seek to prevent such a move. It is true that the appointment of Major Coelho dos Reis, former aide to General Dutra, as Director of Press and Propaganda, may be a concession to that influential general, who, despite the shake-up, continues as Minister of War. But a decree of July 14 named the Air Minister direct presidential representative as head of the air force. The air force thus becomes subject to direct presidential control, and, under the headship of the trustworthy Joaquim Pedro Salgado Filho, it is a counterbalance to the army under Dutra.

Brazilian Government Permits Demonstrations

Observers consider the governmental changes particularly significant because they have been accompanied by a new toleration of student demonstrations and radical elements. The student demonstration of July 4 (*The War This Week*, July 2–9, p. 14) was the first of its kind since Vargas proclaimed the "New State" in November 1937, and took place with his express consent and in the face of the opposition of the secret police. It was the signal for similar demonstrations in many other state capitals. Attendance and speeches by the heads of the states, and in some cases by commanders of local garrisons, made governmental approval unmistakable.

Vargas and the Communists

On July 12, Blas Roca, secretary of the Cuban Communist Party, reported from Buenos Aires that while in Brazil he was accorded an interview with Aranha and was allowed to visit Luiz Carlos Prestes, Communist head of the radical National Liberation Alliance. The latter was imprisoned shortly after Vargas' suppression of that movement in November, 1935. This is the first time that a Communist has been allowed to visit Brazil openly and that any Communist leader has been permitted to interview Prestes in jail. Prestes supported Vargas in the revolution (1930) that made him president, and then broke with him over questions of internal policy. Prestes declared through Roca that he was willing to forget the past and join a national movement under Vargas to extirpate Axis elements in Brazil.

That Roca's visit was more than an isolated favor was demonstrated on August 4 when the Brazilian government granted asylum to Constantino Arza, refugee Spanish union leader, who was being deported from Argentina to Spain, where he faced almost certain execution.

APPENDIX I

THE POLITICAL BAROMETER IN CHUNGKING

(The following statement comes from a close observer of the Chinese scene who has recently returned from Chungking).

One hears no serious discussion whatever in Chungking concerning the existence of a Peace Party. The Communists who were most vocal in alleging its existence last year deny its existence today on the grounds that the Kuomintang has found that making war is good business—loans are easy to get. There are, however, less cynical explanations of the disappearance of peace elements:

(1) China is impressed with her own accomplishment in lasting six years while her Allies in Asia have been knocked out one by one. There is great national pride in China today.

(2) China is becoming conscious of the possibility of occupying an extremely important position in the territories from which the Western powers have been expelled. When Japan has been defeated—as China is confident she will be—Chinese minorities in the South Seas will play an important role in the reconstruction of the post-war Pacific.

(3) China knows that within the Japanese New Order she has no role to play except that of a slave state. With few exceptions all Chinese have always known this. Those exceptions have now disappeared.

Chinese Counteroffensive Plans

The Chinese have their plans for a counteroffensive. But really significant counteroffensive action must await, they think, the fulfillment of several important conditions:

(1) Their troops must have satisfactory air cover;

(2) Their supplies must be built up through restoration of a supply line;

(3) Japan's lines of communication must be threatened by American air and naval action.

The Chinese still think in long-run terms. Facing virtual isolation, they do not contemplate any activity exhausting stores which they know to be absolutely limited. Before taking the initiative, the Chinese want to know that they can press it.

The Chinese hope that their mission in Washington will succeed in solving the problem of air freight into China; and, equally important, evolve an air strategy for their war fronts. China's plan is to regain command of the air, province by province, from Szechwan to the coast. It is significant that the United States Air Force in China is concentrating its attacks upon points in Kiangsi and Hupeh. The Chinese think these attacks should continue and be coordinated with the operations of Chinese ground forces if strategic expectations are to be satisfied. The Chinese realize that Chinese themselves are being killed in these raids. They do not want operations which will "tie down" Japanese troops in China. They want to expel the Japanese. Hit-and-run tactics are a shot in the arm both in

China and the United States, but the depressive reaction in China is more extreme when action is isolated. Chinese expected the attack of Tokyo to be followed up with blast after blast.

Chiang's Position Unchallenged

No serious challenge to Generalissimo Chiang Kai-shek's leadership exists; nor has any important candidate as successor arisen from among his followers. The two names most often mentioned as possible successors are those of General Ho Ying-chin and Dr. T. V. Soong. Yet Ho is not supreme within the Chinese Army. Hu Tsung-nan and Chen Cheng are his equals. He has no civilian following. On the other hand, T. V. Soong's candidacy is symbolic rather than actual. He represents the pro-Western and more particularly the pro-American elements to be found throughout China. He has little or no organized following.

Rise of Nationalist Organizations

The People's Political Council is the only nucleus of parliamentary government in Free China today. It is still in an experimental stage. The Kuomintang is the only political power within Free China, its authority being challenged only by the army. Actual power, however, is passing more and more into the hands of various special services and investigative police. The Chinese people, generally, feel the presence of these services. Nevertheless, despite the hostile allegations made against them, there is no convincing evidence that these services do not believe in national unity, Kuomintang unity, or in continued resistance against Japan.

These services advocate stringent discipline. They have been called Fascist. But they are too inefficient really to correspond with the European definition of that term.

The most celebrated of these services is headed by Tai Li, whose personal organization includes 160,000 men. These men are garrison commanders, gendarmes, polices heads, and financial administrators. Ho Hou-jo, administering the new Commodity Bureau, is close to Tai Li. Tai Li's men are fiery nationalists, advocates of Min Sheng Chu I (People's Livelihood—the third of Dr. Sun Yat-sen's Three Principles), ardently pro-Chiang, anti-capitalist, and anti-Communist. They are National Socialists, the element of racial prejudice being, however, absent in their principles.

Approaching Tai Li in power is K'ang Tse, who heads the San Min Chu I Youth Corps. As such he controls all party youth organizations. K'ang Tse's power is used, moreover, within the Party to keep a balance in the rivalry of Chu Chia-hua (pro-German president of the Sino-German Intercultural Society) and the so-called CC group of Ch'en Li-fu and Ch'en Kuo-fu.

The CC group employs its own investigative police. Hsu Jen-chen, its head, operates an organization which supervises Kuomintang administrative programs, particularly in the relief and educational fields. They have kept particularly close watch over Chinese Industrial Cooperative developments.

Relations of Communists and Kuomintang

Communist-Kuomintang relations, so far as discussion is concerned, are a dead issue in Chungking. In contrast to 1941, Chinese officials—with the exception of

General Chou En-lai, the Communist Party representative—do not consider it important to explain this issue to foreign visitors. Specific inquiry leads to the following general conclusions.

The Kuomintang occupies a position of virtually complete domination in Free China. The Communists have been liquidated or run underground. Friction is sporadic and very limited along border areas. Basic hostility is not relaxed, however, and the Communists accuse the Central Government of deploying one million men who are immobilized for the primary purpose of blockading their forces. Four hundred and forty thousand troops under General Hu Tsung-nan are said to be concentrated in the northwest. The danger of civil war within China has been greatly exaggerated; and those seeing the danger have often been those who hoped it would develop. Militarily the Chinese Communists are weak and are becoming weaker every month.

Spread of Inflation

Scarcely less important than hostilities on actual war fronts in China, is the problem of inflation prevalent throughout Free China. Price inflation in China has recently been aggravated by the virtual breakdown of transport abroad. Hoarding is epidemic in scale. Vast and continuous monetary expansion and inadequate methods of securing government revenue are primary causes of price rises. The latter in turn, have produced a reversion to barter techniques (land tax), industrial paralysis, and occupational reorientation affecting civilian morale. Only the farmer is today relatively immune from the adverse effects of inflation.

APPENDIX II

THE GERMAN OFFENSIVE ON THE EASTERN FRONT

JUNE 28 TO JULY 29, 1942

The current Nazi offensive has employed about one-third of the total Axis divisional strength in Russia, including about 40 percent of Axis motorized and panzer forces, according to an analysis prepared by the Economics Division of the Office of Strategic Services. Of the divisions engaged in the south, approximately 35 percent are motorized or panzer. The average rate of advance has been about 14 miles a day.

The Pattern of the Offensive

The German offensive, which began on June 28, overran an area of about 35,000 square miles during a month of operations. It consisted of three distinct drives:

(1) From Kursk to Voronezh: 130 miles.

(2) From the Belgorod-Kursk area through Rossosh and Tsimlyanskaya to Proletarskaya: 420 miles.

(3) From Slavyansk through Lisichansk to Rostov: 180 miles.

Drive (1) was a major advance from Kursk to the outskirts of Voronezh. It started on June 28 and took eight days to reach the Don river, 120 miles to the

east. Bitter fighting then raged for six days, during which the German forces fought their way 10 additional miles to Voronezh. The Russians estimate that German forces involved were four panzer (of which two were probably held in reserve), two motorized and seven infantry divisions.

Drive (2) started along the front between Kursk and Belgorod on July 1 and reached Rossosh, 150 miles distant, ten days later. At Rossosh the German forces divided. The larger portion advanced to Boguchar while the rest drove south along the Moscow-Rostov railroad to Millerovo. They reached these objectives in two and four days respectively. During the next 17 days most of the Boguchar forces advanced 240 miles southeast to Proletarskaya. The remainder drove in the direction of Kletskaya. German forces fighting in the area have been estimated at seven panzer, six motorized, and 30 infantry divisions. Of these divisions, two panzer and one motorized had been shifted south from the Voronezh area after July 11.

Drive (3) originated in the vicinity of Slavyansk on July 10. It advanced through Lisichansk and Voroshilovgrad, and reached Novocherkassk, 160 miles distant, on July 22. During this period it effected a junction with the Millerovo forces, which probably joined in the drive to the south. This drive reached Rostov on July 24. German forces involved before the junction of forces comprised about two panzer, three motorized and eight infantry divisions.

The following table presents relevant data on the disposition of German forces:

Axis Divisions on Eastern Front

Southern Sector (from Orel to Rostov)	Panzer	Motorized and S S.	Infantry	Total
Drive (1)	4	2	7	13
Drive (2)	7	6	30	43
Drive (3)	2	3	8	13
Holding Operations in Orel-Yelets area	----------	----------	5	5
Total	[1] 11	[1] 10	50	[1] 71
Other Axis Divisions on Eastern Front	9	23	116	148
Total	20	33	166	219

[1] These totals do not represent an addition of the above columns, since they eliminate the duplication of 2 Panzer divisions and 1 motorized division shifted to Drive (3) from Drive (1) after July 11, 1942.

Time and Distance

According to the table following, the average speed of Drive (2), the main advance, has been 14 to 15 miles a day. Only once, during the four day drive from Rossosh to Millerovo did the Germans attain an appreciably greater speed. Drive (1) also averaged 15 miles a day, while Drive (3) averaged 12 miles a day. The German drives against Smolensk (July, 1941) and through the Ukraine (August 1941), comparable in terms of weather, terrain and forces involved, attained speeds of 25 and 20 miles per day, respectively. Possible reasons for the slower rate of the present offensive are more effective Russian resistance and the lack of a substantial surprise element.

The three separate drives which comprise the current offensive started at different times and involved forces of different magnitudes. Drive (1) maintained a "major advance" rate for only eight days. Drive (2), clearly the most important, has lasted thus far for one month. This drive may now have ended. Drive (3) did not begin until July 10, and continues in full force, through Rostov and into the North Caucasus region.

German drives during the first 5½ months of the Russo-German war varied between two and six weeks in length. Four weeks was about the average duration. It appears, therefore, that the durations of current drives (2) and (3) are approximately the same as those in the early German offensives.

German Offensive on the Eastern Front, June 28 to July 29, 1942

Drive			Date		Time elapsed (days)	Distance (miles)	Miles per day	Divisions used
	From—	To—	Began	Ended [1]				
1	(a) Kursk	Don River	6–28	7–5	8	120	15	4 Panzer.
	(b) Don River	Voronezh [2]	7–6	7–11	6	10	1.7	2 Mot. & S. S. 7 Infantry.
2	(a) Kursk-Belgorod	Rossosh	7–1	7–10	10	150	15	7 Panzer.
	(b) Rossosh	Millerovo	7–11	7–14	4	100	25	6 Mot. & S. S.
	(c) Boguchar	Boguchar	7–11	7–12	2	30	15	
	Total (Kursk-Proletarskaya)	Proletarskaya	7–13	7–29	17	240	14	30 Infantry.
			7–1	7–29	29	420	14	
3	(a) Slavyansk	Leichanuk	7–10	7–12	3	30	10	2 Panzer.
	(b) Leichanuk	Voroshilovgrad	7–13	7–17	5	50	10	3 Mot. & S. S.
	(c) Voroshilovgrad	Novocherkssek	7–18	7–22	5	80	16	8 Infantry.
	(d) Novocherkssek	Rostov	7–23	7–24	2	20	10	
	Total		7–10	7–24	15	180	12	

[1] Date vicinity of town was reached.
[2] Not considered part of "major push."

Air Support

There is probably an insufficiency of German air power for simultaneous operations along the entire Eastern Front. The Nazis have offset this shortage, in part, through the achievement of an unusual degree of air force mobility. They have established networks of advance air fields all along the front. This fact enables them to shift planes from one sector to another with great speed and makes it possible for them to achieve air superiority in any given sector.

It may be significant that Drive (3) did not begin until 10 days after the end of the siege of Sevastopol—a time lag approximately equal to the interval required for shifting the air fleet that had been attacking Sevastopol to fields located west of Slavyansk.

Postcript; the North Caucasus Campaign, July 29–August 10, 1942

In the north Caucasus area, the German rate of advance has averaged between 14 and 15 miles a day—approximately the same as that of Drive (2). Since July 29, the forces engaged in Drive (3) have borne the brunt of the fighting, probably aided by some of the divisions in Drive (2) that reached Proletarskaya on that date. While the drive before Stalingrad has been virtually stalled since July 29, the Nazi forces in the Proletarskaya area, joined by reserves from the region of Rostov, reached Kropotkin (August 5), Armavir (August 9), and Maikop (August 10).

From Rostov itself, Axis forces drove to Kushchevskaya by July 31, where they were held for nine days. Several of the divisions in this region were probably shifted to the vicinity of Belaya Glina (reached on August 4) and united with other divisions from the Proletarskaya region. These forces drove to Tikhoretsk by August 6, and reached Krasnodar on August 9. Danger of encirclement then forced the Russians holding south of Kushchevskaya to retreat.

Meantime the Russians have pursued a strategy of orderly withdrawals—a fact which suggests that Drive (3) may continue for some days to come. It is probable that the Soviet forces will make a stand at the foothills of the Caucasus. In general, then, the Russians will attempt to hold in the north the irregular arc Liski, Povorino, Stalingrad. In the southern sector an effort will be made to keep open the Caspian lanes from Baku and Iran. Such a strategy would leave several lines of supply available for the troops before Stalingrad; it would retain in Russian hands a substantial supply of oil from Baku; and it would preserve the southern supply route for Anglo-American shipments.

APPENDIX III

POLITICAL STRUGGLE WITHIN THE AMERICAN CARPATHO-RUSSIAN COMMUNITY

The political struggle within the American Carpatho-Russian community over the post-war destiny of Sub-Carpatho-Russia is now assuming the proportions of a seeming irreconcilable conflict, according to a current report of the Foreign Nationalities Branch of the Office of Strategic Services. Sentiment for the incorporation of this territory into the Soviet Union is clearly in the ascendancy, although countered by equally adamant attitudes favoring its inclusion in a post-War Czechoslovakian Republic.

The disputed region includes the territory south of the Carpathian Mountains which until 1939 was the Czechoslovakian province of Pod-Karpateka Rus, the contigious area now held by Slovakia, and the "Lemko" region once held by Poland. There are approximately half a million Americans of Carpatho-Russian descent—most of whom are engaged in heavy industries vital to the war effort, notably coal and steel in Pennsylvania—whose sympathies and active support are cultivated by the contending groups.

The Nature of pro-Russian Sentiment

The pro-Russian sentiment in the American Carpatho-Russian community is a curious amalgam of Sovietism and Pan-Slavism. It finds expression increasingly as admiration for the heroism of Russian resistance in the common war against Hitlerism. (In neither the Russian nor the Czechoslovakian-oriented factions is there any difference of opinion on the necessity for the defeat of Germany). This tendency has been fostered by Communist elements and is in line with the trend toward intensification of Russian nationalism in the Soviet Union itself.

The Line-Up of Pro-Russian Organizations

The principal organizations supporting the "Mother Russia" solution to the problem are the Carpatho-Russian Union of Pittsburgh, organized in March 1939, and the Carpathian Russian People's Committee. The latter organization, founded in February 1939, has been operating as a kind of subsidiary of the Lemko Association of the United States and Canada, which in turn is reported to be a camouflaged Communist organization supported by the I. W. O. The Union, on the other hand, is made up largely of representatives from Carpatho-Russian religious groups. Its secretary is the Reverend Stephen Varsaly of Rankin, Pennsylvania, editor of *Vistnik*, the official organ of the Carpatho-Russian Greek Catholic Church of the Eastern Rite.

These two organizations are the sponsors of an American Carpathian-Russian Congress, which met July 12–13 at Pittsburgh. The Congress unanimously adopted a resolution urging that all Carpatho-Russian lands be united with Russia. It condemned "those 'leaders' who are playing around with the scheme of uniting all of Carpatho-Russia or any parts of Carpatho-Russian territory into

a Danubian or Central European Federation. These leaders do not represent any Carpatho-Russian organizations. . . . They might, however, have the backing of agents of foreign governments, who wish to continue to subjugate the Carpatho-Russian people and again annex and exploit Carpatho-Russia as a sort of colony . . . ."

The Religious Factor

Observers present at the Congress have remarked upon the extremely religious tone maintained throughout. Prayers were offered eight times during the two days' sessions. Local pastors from various centers with American Carpatho-Russian communities were prominent on the program. At one point, while the Reverend Peter Molchany was describing Hungary, Slovakia, and Germany as the three enemies of the Slavs, a voice from the audience shouted: "and the Pope of Rome is the fourth enemy!" Prolonged applause is reported to have followed.

The pro-Soviet Carpatho-Russians are for the most part members of the Orthodox Church. Spiritual leaders are in many cases also political leaders. Many of the Orthodox clergymen who were prominent at the Congress are former Uniates (Greek Catholics) who were converted to the Eastern Rite in recent years after disagreement over the issues of celibacy of the clergy and Latinism. However, religious differences among Carpatho-Russians, important though they undoubtedly are in shaping the opposing political orientations of the Carpatho-Russians in the United States, are probably not so strong a determinant as the ties of racial kinship—supposed or real—and the evangelical efforts of the I. W. O. working through its various channels.

The Czechoslovak View

In contrast to the pro-Russian view is the opinion expressed at a meeting held by the American Carpatho-Russian Central Conference last spring. The Central Conference is made up of two organizations: the American Carpatho-Russian Council headed by Gregory Zatkovich, an American lawyer who was the first post-war Czechoslovak Governor of the province of Carpatho-Russia; and the Carpatho-Russian Unity, whose president is now Judge John Prinich of Gary, Indiana. Speakers included Senator James J. Davis of Pennsylvania, Foreign Minister Jan Masaryk of the Czechoslovak Government-in-Exile; Blair F. Gunther, Chairman of the American Slav Congress, and several others. The speakers expressed the general desire at the meeting to see Carpatho-Russia incorporated within a reconstituted Republic of Czechoslovakia.

The view of this group, however, was perhaps most clearly expressed in a recent issue of *Jedinstvo*, monthly organ of the Carpathian-Russian Unity, where it was declared that the American Carpatho-Russians, in common with other Americans, wished to keep Soviet Russia, ". . . fighting a common enemy, the Nazi hordes . . .", but " . . . we do not want to have anything to do with Communism . . .", which they emphasized, is clearly anti-democratic and anti-religious.

APPENDIX IV

GERMANY'S IRON AND STEEL POSITION IN 1942

Germany's war effort in 1942 will not be handicapped by lack of steel, according to a memorandum of the Economics Division of the Office of Strategic Services. As a result of manpower shortages, output at present is considerably below the total steel-making capacity of Axis-controlled Europe (including Sweden and Italy)—capacity estimated at approximately 53 million tons of ingots and castings. About 44 million tons will be produced in 1942, of which only 35–40 percent are required to fill direct military needs of the European Axis.

Aside from general limitations of manpower, both for the production of steel and for the fabrication of finished products, the only steel-making problem facing the Germans lies in the type of productive facilities available to them. More than 40 percent of Axis capacity is in the form of Bessemer converters, which produce a less desirable quality of steel than that which comes from open hearth or electric furnaces. Consequently, much of the Bessemer capacity is allowed to go unused, while there is heavy pressure on the capacity of open hearth and electric furnaces. Use of the duplex process, whereby a batch of steel is started in a Bessemer converter and finished in an open hearth furnace, is tending to relieve even this pressure.

Conquests Relieve Iron Ore Shortages

Before the present war, Germany normally relied heavily upon imports of iron ore. Out of a total supply of 12.7 million tons of metal content in ores available to Germany in 1937, 26 percent came from enemy countries and was immediately cut off by the outbreak of hostilities. Another 51 percent came from neutrals and was endangered, therefore, both by the blockade and by the possibility of further Allied moves. Germany was assured of only 23 percent of her pre-war iron ore supply. This picture was relieved by the fact that ore constituted only 60 percent of Germany's total metal supply, the remainder coming from scrap. In terms of total metal supply from both ore and scrap, 25 percent was immediately cut off, 45 percent endangered, and 30 percent remained secure.

Under these circumstances, Germany was faced with the dilemma of newly expanded steel requirements and a reduced raw material supply, much of which was endangered by possible Allied action. Germany solved the problem principally by the conquest of France, whose iron ore output not only has been utilized by the Axis but has been increased. At present about 46 percent of the metal content of the Axis European ore supply comes from France. Sweden furnishes 18 percent and another 18 percent comes from conquered sources other than France. The old Reich supplies only 15 percent.

APPENDIX V

GERMAN APPREHENSIONS IN NORWAY

Recent developments suggest that German authorities are genuinely concerned about the possibility of Allied military operations this year in Norway. Activities of the Norwegian Nazis and current German-Swedish relations reflect a similar uneasiness, according to a current memorandum of the Western European Section of the Office of Strategic Services.

German authorities in Norway have recently taken a series of steps to strengthen the Nazi position there: The Germans held extensive anti-invasion manoeuvres in the Kristiansund-Trondheim area during the last week of July. The Nazis are rapidly fortifying Tromsö, which is on the way to become a veritable fortress. In mid-July the German authorities offered a reward of 500 *kroner* to any one who found and reported a British mine in the area (British mine layers had been increasingly active in this region). The Germans then laid mines very extensively in the waters covering the approaches to Tromsö and on August 4 sternly warned fishermen to stay out of the waters in question.

Diversion of Labor to Coastal Fortifications

The Germans are directing forced labor in increasing numbers to work on coastal fortifications and for the present have dismissed the plan to send any appreciable number of laborers to Germany in favor of this former project. With a sharp extension of compulsory labor service in July, it is planned to increase the total number involved from 20,000 to 50,000. Labor, however, is proving recalcitrant, and workers' organizations have urged their membership, through underground channels, to refuse work on fortifications. Reports from northern Norway indicate strikes, mass demonstrations, and mass arrests among conscripted workers, with "several hundred" strikers turned over to the Gestapo in the Lofoten area.

A nation-wide registration of motor boats, recently ordered, aims to reduce the chances of flight to Britain, and will likewise curtail opportunities of patriots to assist potential invaders. A new series of arrests in western Norway not long ago included many individuals prominent in shipping circles. Terboven recently sought in vain to move the Norwegian shipowners to place their resources more directly under the jurisdiction of the German authorities.

Quislingite Uneasiness

Recent indications also suggest that Quisling and his henchmen are increasingly uneasy. At the national celebration of St. Olaf's Day, July 29, Quisling warned his countrymen of bloody civil war, if a second front is opened. A day or two later a newspaper at Skien, southwest of Oslo, returned to the theme and warned its readers that in case of invasion Norway would be transformed into a second Spain. And in Spain, it recalled, victory lay with the Axis.

Meanwhile the country's leading churchmen took a momentous step in late

July when they severed the Lutheran Church of Norway from the Quisling state. That the higher clergy should act with such boldness at this juncture may also reflect their hopes for an early military solution of Norway's bondage. The Nazis know only too well that an Allied campaign would receive almost unanimous support from the Norwegian home front. "August!" has become a common form of greeting in Norway this summer.

Renewed Tension in German-Swedish Relations

The Wilhelmstrasse on July 29 sharply rebuked Sweden for its neutrality policy. In particular the German spokesman objected to a column in the pro-Ally *Göteborgs Handels-och Sjöfartstidning* which urged that if neutrality could not be observed, Sweden should take care to be found on "the right side." The next day seven Swedes—members of an industrial firm—were reported arrested in Poland.

Seen from the German standpoint, Sweden has obviously been following too independent a policy. Over the Swedish radio, protests against German violations of Swedish neutrality by submarines and planes have been as vigorous as those against Russia for similar alleged offenses. In a speech on July 31, Premier Hansson warned that the Swedish people might demonstrate that they loved democracy and freedom even more than they loved peace and neutrality.

The Swedes are also reported to be disturbed by the announcement—more in the nature of a trial balloon perhaps than a formal statement of policy—that Norway intends to desert the ideals of Northern solidarity, and, for the future, will seek her security in alliance with the Atlantic powers. In any event, the Mutual Aid agreement of July 11, 1942, between Norway and the United States provides among other things that "the Royal Norwegian Government will continue to contribute to the defense of the United States of America and the strengthening thereof, and will provide such articles, services, facilities or information as it may be in a position to supply."

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Office of Strategic Services

THE WAR THIS WEEK

In Europe the week has passed in German preparations for attack in two critical areas. Virtual masters of the Don bend, the Nazis are organizing a twin pincer thrust on Stalingrad, while in the North Caucasus their drives on Groznyi and the Black Sea have perceptibly slowed. At the same time, the Germans are sending reinforcements to Rommel on a notable scale, and observers continue to predict that he will soon strike toward the Delta.

In the Levant, Anglo-French relations have reached a crisis, and De Gaulle insists that he will stand his ground even though an open conflict results. In France, it is reported that Nazi support of Doriot has relaxed for the time being, but Laval's position remains a difficult one at best.

In the Far East, American Marines have now established a firm foothold in the Tulagi area, from which the Japanese position in Melanesia might be seriously threatened.

Reports from India suggest that current violence is largely the work of irresponsible groups and that preparations for the serious non-violence campaign are still under way. Meantime compromise elements are at work, and the Moslem League may be seeking a settlement with the Congress (although the League has threatened to cease cooperating with the British if the latter should sacrifice the Moslems to the Congress). Congress Party leaders, it is reported, are confident of victory, but British authorities are resorting to measures of notable severity in an effort to bring the movement under early control.

From China come reliable reports of rapid deterioration in that country's military supply situation and of the significant role which the United States Army Air Force is now playing there.

The rapid sinking of five Brazilian ships by Axis submarines has produced very sharp repercussions in Brazil, with promise of immediate and vigorous reprisals but no threat of war.

Zero Hour Before Stalingrad

Along practically the whole length of the Don bend, the German Sixth Army has now reached the river, and is engaged in mopping up operations preparatory to an attack on Stalingrad. Southwest of the city the Fourth Panzer Army has again failed to progress much beyond Kotelnikovo, although it has sent out a detachment to Elista, a third of the way across the steppes toward Astrakhan. Military observers now suggest that the current check between the Don and the Sal rivers may be an intentional pause while the German army to the north establishes a bridgehead in the Don bend. Current Nazi activity indicates that Kletskaya may be the site of this attempted bridgehead. In this area, the Soviet air force is attempting to destroy the advanced air fields now being established by the invaders for their assault on Stalingrad.

To the south, the German advance toward the Black Sea ports of the North Caucasus has slowed perceptibly. The invaders blame their decreased rate of speed on the coastal mountain barrier, on torrid weather, and on the vigorous resistance they have been meeting from Red Army and Navy units. Despite these obstacles, however, the German Seventeenth Army has reached the lower Kuban River and is now within a few miles of Temruk, Anapa, Novorossiisk, and Tuapse. The Russian Black Sea fleet has already shifted its main base to Batumi. And constant bombing by the

Confidential
SEA OF AZOV
BLACK SEA
CASPIAN SEA
TURKEY
IRAN
CAUCASIA
Front line, June 15, 1942
Front line, August 12, 1942
Area taken in German advances, August 12-19
RAILROADS
Double track
Single track
STRATEGIC HIGHWAYS
PIPE LINE
OIL FIELD
Scale of Miles
50 0 50 100
Map No. 958 August 19, 1942
Drawn in the Geog. Div., O.S.S.

German Air Force has continued to impede the Soviet evacuation by sea of the North Caucasus littoral.

The Advance on Groznyi

Meantime the German First Panzer Army, driving along the main Caucasus railroad, has taken Georgievsk and Mineralnye Vody, and reached Prokhladnaya on its way toward the Groznyi oil fields (see Appendix I). A task force sent off by the main army has advanced in the foothills of the Caucasus as far as Mikoyan-Shakhar, the northern terminus of the Sukhumi military highway. Another such force may now branch off toward Nalchik, Darg-Kokh (the northern terminus of the Ossetian highway), and the metal refining center of Ordzhonikidze (at the end of the Georgian highway). But the main body of the First Panzer Army will probably choose to follow the northern branch of the Caucasus railroad after it splits at Prokhladnaya.

This northern branch is shorter than the southern one and traverses easy, rolling terrain, as opposed to the high elevations encountered on the southern branch. Furthermore, such a railroad would afford an excellent route for the German mechanized forces to outflank and by-pass Groznyi. Already the capture of Mineralnye Vody has given the invaders an excellent airfield from which to bomb Groznyi, Makhach-Kala, and the whole Caspian shore immediately north of the Caucasus. Advices from London now suggest, however, that the Russians have removed the greater part of their petroleum stores from the Groznyi area—after having previously carried out the complete destruction of all important installations at Maikop.

Churchill Meets Stalin

Around Voronezh, Volkhov, and points north, Russian diversionary attacks have again failed to gain any appreciable

ground. Some observers have been attributing this lack of offensive strength to a Soviet desire to keep the bulk of the Russian forces around Moscow in reserve for the defense of the city or for a large-scale attack timed to coincide with the establishment of a second front in the west. Prime Minister Churchill's visit to the Soviet Union has served to revive such speculation.

The Russian press, while hailing Churchill's presence in Moscow with only mild enthusiasm, has expressed its confidence that a second front is in the offing. *Izvestiya* has stated that Hitler "already has laid bare other vulnerable parts of his front in Europe to obtain success on the Soviet-German front." In the Axis camp, the *Deutsche Allgemeine Zeitung* has pointed out that presumptions of a second front "still lack results to back them up," and the *Völkischer Beobachter* has commented on the Prime Minister's visit under the heading, "Defeat Follows the Tracks of Churchill."

Quiet on the Egyptian Front

In the desert the lull has continued, with ground action again limited to patrols. Observers still believe that Rommel will strike at the Delta as soon as he has received sufficient reinforcements and accumulated sufficient supplies; and they feel that that time may not be far distant.

The enemy is now known to have received recently one Italian and one German division, mentioned last week, and to have en route another Italian and another German division. Additional 88-mm. anti-tank guns have also arrived in Egypt. Despite continued Allied air and submarine attacks on enemy shipping and lighters, considerable tonnage is known to be reaching North Africa, where supplies are moved to the forward area by lighters and motor transport. Rommel has lately been making an effort to conceal his front line activities, but reconnaissance has disclosed that certain

positions were not manned, while the tempo of activity in the central and southern sectors was reported to have increased.

The British, in turn, have continued to receive reinforcements. Prime Minister Churchill has himself reviewed the situation in Cairo and at the battle front. In London the War Office has announced that General Sir Harold R. L. G. Alexander has succeeded General Auchinleck, with other changes in the top command of the Middle Eastern forces.

Allied air forces have continued their heavy attacks, operating with success this week against enemy shipping. In addition to raids on coastal shipping and larger merchantmen, our planes are believed to have damaged severely three Italian cruisers in an attack on Navarino, in southern Greece.

Anglo-French Crisis in the Levant

Anglo-French relations in Syria appear to have reached an acute stage, with De Gaulle and Churchill directly involved, according to reports from the Near East. The issue which precipitated the crisis was the matter of elections in the fall, according to the plan agreed on last May. In general the British, represented by Spears and Casey and apparently supported by Churchill, feel that the elections should be carried through, fearing the effect of postponement on the whole Middle East.

The French, led by De Gaulle himself, apparently see a larger issue. Not only are they opposed to the elections at this time—which certain authoritative observers feel might well turn out unfavorably for the United Nations and for the French in particular—but they are accusing the British of trying to elbow the French out of their dominant position in the Mandate. De Gaulle insists that any change of status in the territory can only be brought about by a properly constituted French Government after the war. It may be

assumed that De Gaulle's prestige would decline considerably if he were held "responsible" for the loss of this part of the Empire.

De Gaulle appears to be adamant. He charges the British with failing to respect their 1941 agreements, and announces that he intends to remain in the Levant until the situation is cleared up. He feels that Spears must be recalled and British policy radically altered if relations are to continue. De Gaulle has said that he is determined to see the matter through even if it should lead to an open conflict.

American observers are divided on the issue of elections, but fear De Gaulle may ignore the consequences in his impatience for a prompt settlement of Franco-British differences.

New Fighting French Call to Action

From Moscow it is learned that M. Roger Garreau, the Fighting French delegate to the Soviet Union, participated in the recently held conferences of the United Nations representatives in the Russian capitol.

Of significance is the fact that upon the conclusion of the meetings, M. Garreau in a broadcast to France called emphatically upon the French people to engage in mass assassination of French collaborationists, to undertake political strikes against the Nazis and Vichy, and to boycott the occupying forces and their French helpers. In this connection it is to be noted that, up to the present, the policy of the De Gaullist radio has been to ask that anti-Nazi Frenchmen should be cautious in their activities against the invader and collaborationists until the day of a concerted onslaught from within and without.

Turkey's Neutrality

The Turkish Government has announced the appointment of Numan Bey as Foreign Minister, succeeding the present

Prime Minister, who has held both portfolios until now. Numan Bey is considered particularly well disposed toward our country.

The Germans may now be encouraging Turkish neutrality, according to a report from Bern which suggests that the Axis' primary interest in Turkey at the moment is in keeping the Dardanelles closed to the Russian Black Sea fleet. The Turks, the report continues, are increasing their mine and shore defenses in that area.

Mediterranean Convoy Action

In the face of concentrated submarine and air attacks, the Royal Navy succeeded in delivering several merchant ships to Malta in a recent heavily escorted convoy action. The escort of battleships and aircraft carriers, led by the battleship *Nelson*, screened the convoy from Italian heavy units to a point west of the Straits of Sicily. British cruisers and destroyers then took the convoy the rest of the way. As it approached Malta, it secured the protection of RAF planes based on that island.

In addition to the merchantmen lost from the convoy, the British sustained the following losses in warships: the aircraft carrier *Eagle*, the light cruiser *Manchester*, the anti-aircraft cruiser *Cairo*, and the destroyer *Foresight*.

Large credit forlthe successful arrival of the badly needed supplies is given to naval aircraft and to the intense activity of planes based on Malta. More than 66 enemy aircraft were shot down in the action, and two enemy U-boats and two E-boats were sunk, according to the British communiqué. British submarines also scored hits on two Italian cruisers, one of which has been seen at Messina with 60 feet of its bow missing.

Light units of the British naval forces based in the eastern Mediterranean bombarded Rhodes on August 13, in a sur-

prise attack that was coordinated with RAF bombing of the airdrome there.

Laval's Position in France

With the Nazis exerting pressure on Doriot to quiet him for the present, Laval's position continues to be correspondingly improved according, to a new and confirmatory report. The Germans are still prepared, however, to use Doriot as a weapon against Laval, if the latter should prove "uncooperative." The German General Staff is also reported to be fully ready to occupy France in its entirety, should the military situation demand it.

Laval's speech at Compiègne, regarding the worker-prisoner exchange, is reported to have elicited sarcastic comment from Frenchmen, who realize that Germany has no intention of releasing the great mass of French prisoners, generally numbered at 1,200,000. Moreover, the much-heralded trainload of returning Frenchmen was reported by one official to have consisted of only 300 men, mostly in bad health. Only by some sort of disguised conscription or mobilization can the German demands for 150,000 skilled workers be satisfied in any important measure.

About 1,000 Moroccans are scheduled to embark shortly for work on German fortifications in Occupied France. The Germans are also reported to have appealed to Italy to send workers to the Todt organization in France. According to this report, however, Rome declined to send either laborers or troops to France, asserting that both were needed elsewhere.

French Naval Crews at Alexandria

The American proposals of early July apparently sowed confusion among the officers and men of the French warships at Alexandria, according to a well-placed Fighting French

observer. The crews are now reported to be much less ardently pro-Vichy, although nonetheless extremely disappointed by our advance endorsement of possible British action with regard to the French ships. It is claimed that they no longer get orders from Darlan and that they dislike receiving orders from Laval. A renewal of our offer that the ships proceed to Martinique might produce desirable results, this observer suggests, especially if broadcast in French from Cairo.

Laval apparently is also having difficulties with the army. A report from Vichy states that he recently accused it of being in a rebellious condition and even threatened to disband it, if its attitude did not change.

Reports of German Penetration of Morocco

Germany is reported to be preparing to undertake strong measures to strengthen her position in Morocco. Numbers of German agents have recently arrived in North Africa disguised as commercial travelers. According to a reliable source at Vichy, their purpose is to supervise French economic activities.

The Marines Hold Their Ground in Melanesia

The Marines "are now well established" in their shore positions on islands in the Tulagi-Guadalcanal area of the Solomons, according to a naval communiqué, but no details of the fighting are available. American cruisers and destroyers, protecting the landings on August 7–8, were successful in overcoming the attacks of land-based aircraft and again, on the night of August 8–9, in driving off a Japanese force of cruisers and destroyers which attempted to reach vessels from which troops were being landed. Neither battleships nor aircraft carriers have as yet been mentioned as

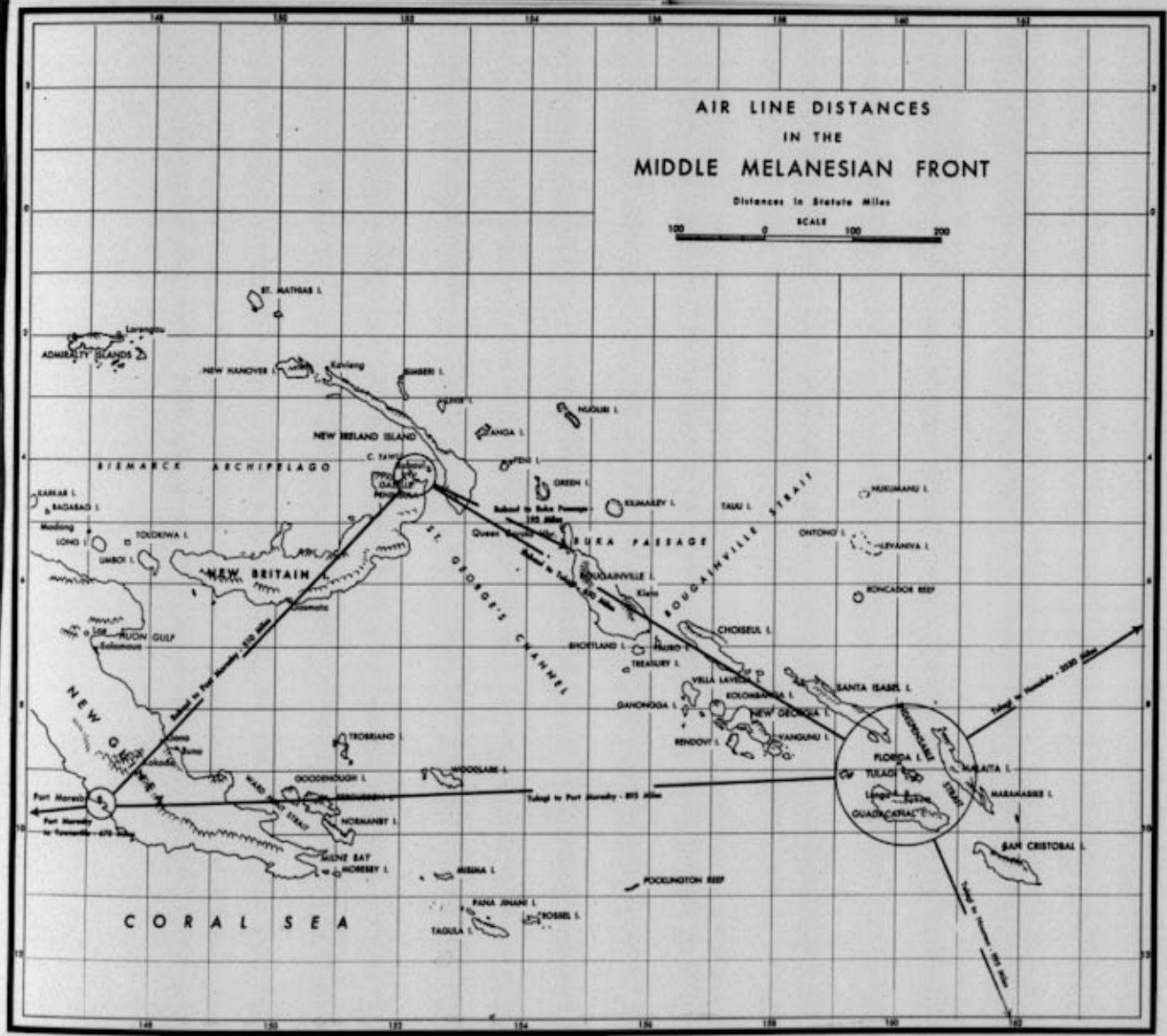
participating in the operations, although a Japanese aircraft carrier was sighted on August 6 at Rabaul.

The Marines are believed to be in control of all important points on Florida, Gavutu, and Makambo Islands, as well as on Tulagi (see accompanying map). On Guadalcanal, they have occupied the north central coast and the low-lying area to the south, while the Japanese have fallen back to the mountainous interior, where they are being supplied by air. At least one usable airfield recently constructed by the Japanese on Guadalcanal has been in our control for several days.

While Army bombers continue the attack on Japanese shipping and bases in the New Britain-New Ireland area, there has been no substantial decrease in enemy shipping activities. The possibility that considerable air reinforcements soon may be dispatched to this area also contributes to the belief that the Japanese will not remain long on the defensive (some 100–150 aircraft are reported to have been withdrawn from the Burma theater to the Netherlands East Indies, where they are preparing for departure, destination unknown). Tokyo radio, admitting "isolated" American landings in the Solomons, announces that a counteroffensive "will not be long in coming."

Japanese Intentions in Middle Melanesia

The freshly won Allied bases in the Solomons, reinforced by our base at Port Moresby, obviously endanger the Japanese position in the Bismarck Archipelago and may impel the Japanese either to undertake an early counteroffensive in the Solomons or to seek to eliminate the threat at Port Moresby. The latter offers undoubted advantages both as an advanced base for fighter plane protection and for bombing operations as well. Port Moresby is some 675 miles nearer to Japanese-held Rabaul than the Australian mainland at Townsville.


AIR LINE DISTANCES
IN THE
MIDDLE MELANESIAN FRONT
Distances in Statute Miles
SCALE
100 0 100 200
ST. MATHIAS I.
Lorengau
ADMIRALTY ISLANDS
NEW HANOVER I.
Kavieng
NUMBERI I.
NIUOLUI I.
NEW IRELAND ISLAND
ANIOA I.
BISMARCK ARCHIPELAGO
C. TAWI
Rabaul
(LAKUNAI)
PENINSULA
FENI I.
GREEN I.
KUMAREV I.
TAUU I.
HUKUMANU I.
SARKAR I.
BAGABAG I.
Madang
LONG I.
TOLOKIWA I.
UMBOI I.
Queen
Rabaul to Buka Passage - 195 Miles
BUKA PASSAGE
BOUGAINVILLE STRAIT
ONTONG I.
LEVANIVA I.
NEW BRITAIN
ST. GEORGE'S CHANNEL
BOUGAINVILLE I.
Kieta
RONCADOR REEF
Gasmata
HUON GULF
Salamaua
Rabaul to Port Moresby - 570 Miles
CHOISEUL I.
SHORTLAND I.
FAURO I.
TREASURY I.
VELLA LAVELLA
SANTA ISABEL I.
KOLOMBANGARA I.
GANONGGA I.
NEW GEORGIA I.
NEW GUINEA
TROBRIAND I.
RENDOVI I.
KANGUNU I.
FLORIDA I.
MALAITA I.
TULAGI
MAKIRA I.
MAKAMASSEE I.
GUADALCANAL
Tulagi to Port Moresby - 895 Miles
Tulagi to Noumea - 1075 Miles
Port Moresby
Port Moresby to Townsville - 670 Miles
GOODENOUGH I.
MIDDLEBURG I.
NORMANBY I.
MILNE BAY
MORESBY I.
MISIMA I.
POCKLINGTON REEF
SAN CRISTOBAL I.
PANA JINANI I.
ROSSEL I.
TAGULA I.
CORAL SEA

The Japanese are by no means forgetting this objective, and in fact have steadily reinforced their units at Kokoda, where Allied patrols recently have been forced to withdraw some miles southward.

The Japanese may be influenced in their decision primarily by their estimate of the strength of the American offensive in the Solomons. A further threat to their air base on Buka Island—not more than 195 air miles distant from Rabaul and believed to be their last important base in the Solomons—would immediately place in jeopardy all Japanese holdings in the Bismarck Archipelago, from Gasmata to Kavieng.

Geography and Strategy in Melanesia

The strategy of the Middle Melanesian area is dominated by the need for adequate harbors and for areas suitable for airfields. In general, this region has surprisingly few first-class harbors, and only a handful with reasonably developed port facilities. Flats suitable for airfields are scarce, for the terrain is rugged and level ground is usually swampy. The coasts and lagoons offer greater scope for the use of seaplanes, but for major operations these, too, must be based where supply ships can service them.

The pattern of Japanese conquest in Middle Melanesia followed closely the distribution of harbors and air facilities. Their first striking points in late January were the outer Melanesian harbors at Kavieng, Kieta, and Rabaul, and the airfield at Buka Passage. Next came Gasmata, and in early March the ports and airfields of the North New Guinea mainland. A move west to Lorengau in the Admiralties secured their lines of communication on that flank. Then they struck eastward to occupy the main centers of the British Solomons, first Shortland (Faisi) in April, then Gizo and Tulagi in May.

Of these centers in the Solomons, Tulagi offers the best

harbor facilities. There are several other good potential harbors, but they are located on large islands with hostile inhabitants, and hence have remained undeveloped and in some cases hardly charted. Before the war there were airfields on Buka and Bougainville, but there were none on any of the remainder of the islands with the possible exception of Guadalcanal. It is believed that on this island some work had begun on air fields, incident to an attempt to exploit recently discovered gold mines, but the Japanese invaders were the first to lay out adequate facilities.

The present month is climatically a favorable one for operations in the Solomons. It is just past mid-winter, and this is the dry season. The trade winds at this time blow from the southeast, and storms, which are peculiarly dangerous to ships in these coral seas, are infrequent. The heat is not unduly oppressive and the nights are fairly cool. The hot, wet season does not come until November, when the trade winds reverse their direction.

India: From Mob Action to Civil Disobedience

The early, disorganized phase of the present Congress campaign in India is apparently drawing to a close, while the actual civil disobedience movement is still in the organization stage, according to an American observer in New Delhi. The recent outbreaks have been largely the work of hoodlums and students, who have acted in sympathy with the Congress but not under the orders of its chiefs. These latter are meantime sending out instructions for a complete boycott of stores, utilities, government offices, etc., designed to paralyze the normal working of the Indian economy. Between the two phases of the movement, our observer surmises, a certain lull may be expected.

Yet the authorities have not been able to restore order with the thoroughness that censored press despatches suggest. Soon after the start of the movement, an official decree forbade the publication of information on the extent to which the mass outbreaks were disrupting industry and transport. These outbreaks, especially characteristic of Bombay, Madras, the United Provinces, the Central Provinces, and Bihar, soon spread from the cities to the country districts. The general pattern was as follows: mass demonstrations, followed by the burning of railroad stations, the looting of public buildings, the cutting of telephone and telegraph wires, and the stoning of buses and trains—to which troops and police responded with small-arms fire and *lathi* charges. Meantime workers went on strike and retail shops closed their doors.

The official repression, as reported by observers on the spot, has varied from city to city. In several places the police have seemed hesitant to wield their bamboo *lathis* with the enthusiasm they had shown in former campaigns. In Bombay, rigorous police action and a stern warning by the Governor of the drastic steps that would be taken against rioters have apparently restored order. But the General Motors plant and the majority of the textile mills (where employers and workers seem to agree in their enthusiasm for the Congress) have not yet resumed work.

In New Delhi a similarly vigorous repression has resulted in outward calm and the reopening of many shops. But observers warn that this latter development may simply represent an effort on the part of Congress sympathizers to lay in stocks of food before the real campaign begins. Meantime, two mass meetings commemorating the death of Gandhi's secretary in jail have served to maintain the pressure of popular emotion. In the United Provinces a special proclamation of the governor has made the crimes of theft, rape, and damage to official property or transportation services, punishable by death. Similarly a general army ordi-

nance directs that officers from the rank of captain up may issue orders to kill if necessary in the performance of their duty.

Party Attitudes

Bengal is a special case. Here the mass outbreaks came later than elsewhere, and the official repression has not been extreme. Observers point out that in Calcutta the disturbances have reflected dissatisfaction chiefly with police measures taken in other parts of the country. In an official protest, the Bengal branch of the Hindu Mahasabha has condemned the Government's policy of resorting to repression without first trying the possibilities of compromise. And the coalition Ministry of Fazlul Huq, Prime Minister of Bengal, which the Mahasabha supports, is reported to be ready to resign rather than collaborate in the policy of the Central Government.

Similarly, 14 nationalist newspapers in Calcutta have ceased publication in protest against the official restrictions on the printing of material considered encouraging to the present civil disobedience campaign. At Allahabad Nehru's *National Herald* has likewise stopped publication, while in New Delhi Devadas Gandhi, editor of the *Hindustan Times*, has been arrested. The Government has now forbidden the republication or cabling abroad of the Mahatma's letter to Chiang Kai-shek (*The War This Week*, June 18–25, pp. 19–20), printed first in the *National Herald* and then in the *Hindustan Times*.

Nor have the Indian members of the Central Government let pass unnoticed the many threats they have received for their support of the British in the present emergency. According to New Delhi reports, the Indian majority on the Viceroy's Council is about to present the following program: first, the Viceroy to adopt a policy of overruling the Council's

decisions only in extraordinary cases; second, native Indians to receive the portfolios of Finance and Home Affairs; third, the Indian Office in London to cease its supervision of Indian affairs. Outside the Government, moderates like Sapru and Rajagopalachariar are apparently seeking some sort of a compromise.

The Moslem Reaction

Meantime Mohammed Ali Jinnah, president of the Moslem League, has threatened to end his cooperation with the British, if the latter should sacrifice the Moslems in a settlement with the Congress. The League, of course, does not represent all Moslems in India, and several of the most influential Moslems of the country, including the Prime Ministers of Bengal, Sind, Assam, and the Punjab, act independently of Jinnah's orders. But there is no doubt that the League, if it so chose, could seriously jeopardize the future of a compromise between Britain and the Congress.

Press reports now suggest that Jinnah is seeking an interview with Gandhi and that the Working Committee of the League is discussing the possibilities of forming a national government for the duration of the war in cooperation with the Congress. Such a settlement, the reports state rather vaguely, would be dependent on an agreement by the Congress to permit the establishment of a separate Moslem state at the end of the war, if the majority of Moslems so desire. Rajagopalachariar has already made similar proposals on the occasion of his resignation from the Congress.

The Congress and the British

Congress leaders themselves are apparently confident of victory. With preparations already under way to set up their own administration alongside that of the British, they

seem sure that they can bring about the collapse of the British Raj in two months. The imperial soldiery, they maintain, is scarcely numerous enough to police every mile of telephone, telegraph, and railroad in India. And in the current campaign of political polemic they now claim to have proof that the Government of India actually drafted and published its reply to the Bombay resolution of the Congress before it had read the resolution in the fairly moderate form in which it was finally adopted. Likewise they maintain that the British soldiers and police have fired on crowds without prior warning—an assertion that New Delhi's Police Commissioner has apparently admitted to be true.

Abroad, press and radio commentators have continued to suggest intervention by Russia, China, and the United States in the Indian imbroglio; Norman Thomas has actually stated that our country has informally tendered its good offices to both the British and the Congress. There has, however, been no sign of wavering on the part of the British. The English press in general has followed the lead of the *Times* in supporting the Government, while suggesting constructive action as well as repression. The *Manchester Guardian* has continued its campaign for a settlement, while the *Daily Mail* has called for the deportation of the Congress leaders. Finally the Labor Party and the Trades Union Congress have issued a joint statement in support of the Government's policy—adding, however, that "the Government should make it clear that on the abandonment of civil disobedience it would be ready to resume discussions toward implementing the principles of Indian self-government it has already proclaimed."

Midway in the Southwest Monsoon

Japanese air forces in Burma are still thought to be too small for operations against India, and on the western

Yunnan front in China there have been recent reports that the Japanese were even withdrawing from their bases at Tengyueh and Lungling. The southwest monsoon, which has now run about half its course, continues to militate against large-scale air or ground operations.

The monsoon began toward the end of June—more than a week late. In the Bengal area, if there are no further aberrations, it will diminish in intensity by about the middle of October. Rains then become less frequent and the temperature falls, but the ground remains water-logged during all of October. Dry weather returns rather slowly in the course of the next two months.

Even in the wettest parts of India and Burma, however, the downpour of the monsoon is interspersed with intervals of good weather, when air operations at least are entirely feasible. The areas where rainfall is greatest are the Rangoon delta and that part of Assam which lies along the western slopes of the Arakan Range. The Japanese advance base for a large-scale attack on India doubtless would be at Rangoon, and any overland attack would need to cross the Arakan Range. While wet weather in these two areas might not offer insurmountable obstacles, there are as yet no signs the Japanese wish to overcome them on any notable scale.

The months of November and December might offer some climatological advantages for an attack in the Bengal area. During these months, local variations in heat and moisture give rise to tropical cyclones, which often originate in the neighborhood of the Andaman Islands and travel west or northwest over the Bay of Bengal. The cyclones have one significant local effect, in that they bring the heaviest rains of the year to India's east coast in the region of Madras, and to the island of Ceylon, where important British naval and air bases are located. Heavy weather here might offer some

handicaps to Allied naval and air operations against a Rangoon-based Japanese thrust at the Calcutta area, just at the season when the latter would be experiencing relatively good weather. Japanese shipping which hugged the shoreline from Rangoon to Calcutta would be less exposed to the threat of cyclones than Allied shipping, operating from bases directly in their course.

Chungking Tempers Press Reaction to the Indian Situation

The outburst of pro-Indian editorials with which the Chinese press initially expressed its decided views on the Indian crisis was evidently more nearly spontaneous than most such displays of Chinese unanimity of opinion. The official Chinese Information Board had originally given instructions that no editorials should be written on the subject of the arrests of Gandhi and other Indian leaders, but the newspapers raised such strong protests that the order was rescinded. Instead the press was then instructed to refrain from suggestions that the troubles in India could be racial in origin, and to adopt an attitude of "persuasion" rather than "denunciation." The press was, however, given permission to display sympathy for Gandhi and his followers, and was allowed to point out that India's desire for independence was in conformity with the Atlantic Charter, and to suggest that Britain's present methods would not solve a problem which could be solved by "other means."

Deterioration of the Chinese Military Position

The military supply position in China is deteriorating quite rapidly, according to a reliable and well informed military observer just returned from Chungking. While domestic production at one time supplied 80 percent of China's needs for small arms and ammunition, output has now been drastically reduced, a situation reflecting primarily the cessation

of imports of steel for barrels and copper for cartridges. The military forces are not yet short of equipment, but only because requirements are filled out of rapidly dwindling stocks. The situation already has affected military operations, however, and the Chinese are said to have fallen back in the battle in Kiangsi Province primarily in order to save matériel.

Despite the high competence of the individual Chinese soldier, our observer adds, the organization of the Chinese troops is very poor. The most notable deficiency is in the officer corps, where orders only rarely are carried out as given. When properly officered, Chinese troops have shown themselves to be able fighters. At Shanghai, for example, they made an excellent stand, and whatever errors were made were the consequences of poor decisions of the High Command, our observer believes. It cannot be expected, he concludes, that the Chinese will be able to accomplish anything very decisive in a military way by themselves.

American Army Air Force in China

Despite the deterioration in their own military position, the Chinese have been greatly heartened by the activities of the United States Army Air Force. The recent raids on Haiphong (Indochina) and the attacks on Canton, Nan-ch'ang (Kiangsi) and Yo-yang (northeastern Hunan) have done much to counteract the Chinese feeling that they were being neglected, according to a highly placed American observer at Chungking. He warns, however, that if lack of replacements and reinforcements should bring about a curtailment of these operations, very unfortunate effects would follow.

This observer believes that it is a mistake to maintain that American air support for China should be thought of simply as preparation for reconquest of Burma, or as a means for keeping China in the war. The first objective may be over-optimistic and the second, he declares, is only half the

truth. The American air force in China already has demonstrated that it can be of direct offensive value against the Japanese. It can destroy or at least contain Japanese planes which might otherwise be used in American theaters of operation; it can aid Chinese military operations against the Japanese; it can be of value in Melanesian operations by interfering with Japanese supply lines to the south; and in the long run it may aid in the recapturing of bases in China from which air attacks can be carried on against Japan proper.

Situation Eases in Northeast Asia

From evidence that has come to hand in recent days, some well-placed military observers conclude that Japan may have planned an offensive in the direction of Australia, rather than against Siberia, an offensive which our surprise attack on the Tulagi area has no doubt thrown out of gear, at least for the time being. Specific indications supporting this theory are a violent Japanese press campaign against Australia and increased Japanese air activity over Australia in recent weeks. These observers point out that Japanese strategists are apt to make preparations permitting a movement in one or more of several directions and not decide themselves where they will strike in force until the opportune time arrives. Such earlier plans with reference to Australia would not of course preclude an invasion of Siberia now or somewhat later.

Evidence concerning the Siberian area itself is somewhat conflicting. It is now definitely known that Yamashita, the most successful Japanese field general, took command in late July of the Japanese forces in Manchuria. Furthermore, according to the Chinese intelligence service, a Japanese division has left Yo-yang (where the Hankow-Canton railroad leaves the Yangtze River and veers south toward

Changsha) for an unascertainable destination, presumably Manchuria. That division was replaced in its exposed position by another division previously stationed in the same general area.

New Japanese Military Head for the Philippines

Lieutenant General Masaharu Homma of erroneous harakiri fame has left the Philippine command for Tokyo, according to a Japanese official broadcast of August 14, and yields his post to Lieutenant General Shizuichi (or Seichi) Tanaka. Tanaka served as assistant military attaché in London (1919–1922) and as military attaché in Mexico (1926–1928) and in Washington (1932–1934). He speaks both English and Spanish. Of recent years he has held various high positions in the military police, having served as Commander of the Military Gendarmerie Corps (1940–41), and before his appointment to the Philippines was in command of the eastern army administrative district of Japan.

The appointment of Tanaka apparently indicates a feeling on the part of the Japanese that the combat phase of Philippine occupation must now yield precedence to administrative problems involving the civilian population. With his fluency in Spanish and English and experience in police and army administration, Tanaka is well qualified to undertake this task.

Brazilian Ship Sinkings Cause Violent Reaction

Nazi sinking of five Brazilian ships—two with Brazilian soldiers on board—has produced a violent and immediate reaction in that country. President Vargas, appearing in public for the first time since his recent automobile accident, assured an angry crowd that his government would act energetically to avenge Brazilian citizens drowned in these attacks. Anti-Axis riots have been reported from various

parts of Brazil, ranging from Manaus to Porto Alegre. At Recife there was a violent demonstration against not only the Germans and Italians but also the Spanish representatives who, it was alleged, had passed on information regarding shipping to enemy agents. The people of Recife have demanded the removal of the Interventor because of his pro-Nazi sympathies. High army and navy officers were quoted as firm in the belief that a declaration of war was only a matter of days, but Foreign Minister Aranha told our chargé d'affaires that Brazil would undertake immediate reprisals but not declare war. Whatever Brazil does will not be done in a hurry.

The sinking of the Brazilian ships which preciptated the present crisis started with the *Baependy* late in the evening of August 14. On this ship there were two batteries of 75-mm. guns and some 300 soldiers and civilians. Another ship, the *Itaite*, arrived safely in Recife with one battery. During the next two days four other ships were lost in the same general region—off the coast of Bafa and Sergipe. These were the *Annibal Benevolo*, the *Araraquara*, the *Itagibe*, and the *Arara*. The ships were proceeding separately, not under convoy. Between January 1 and August 18 the Germans sank 16 Brazilian ships.

Cuban Cabinet Changes

The new Cuban cabinet, announced by President Batista on August 16, is not sufficiently different in membership from the cabinet which resigned on August 5 to satisfy the demands of the democratic, pro-war groups for a "streamlined" war government, according to reports. The five new members are little known in Cuban political life. Indications are that President Batista has not yet solved the problems which precipitated the recent cabinet crisis, and that a further cabinet shake-up may follow.

APPENDIX I

GERMAN CONQUEST OF NORTH CAUCASIAN OIL

While German forces have already taken Maikop, and the capture of Groznyi—300 miles to the east—is probably imminent, the main Caucasian oil fields at Baku lie in a less exposed position. These fields are south of the Caucasus, which form a mountain bulwark some 70 miles in depth and are easily traversable in this area only at the western shore line of the Caspian Sea. If we assume that the Germans could be held at their present position on the north and central fronts and, in the south, at the line of the Volga and on the northern slope of the Caucasus, the Russians would still have some access to the oil at Baku. The overall oil supply position of Germany would then be materially eased, although it would not be entirely relieved (with the possible exception of lubricants). To this extent the immediate German acquisition of "Caucasian oil" is perhaps less sweeping in its implications than newspaper despatches imply.

TABLE I.—*Russia's oil industry in 1940*

[Thousand metric tons]

	Crude Oil Production	Refining Capacity	
		Crude	Cracking
Baku	22, 900	[1] 18, 933	[1] 2, 727
Groznyi	2, 466	7, 000	2, 887
Maikop	2, 950	3, 701	----------
Total Caucasus	28, 316	29, 634	5, 614
Total Ural-Volga	3, 435	2, 514	2, 488
Total Inland [2]	----------	701	515
Total Asia (minus Sakhalin)	690	491	140
Sakhalin	450	210	175
Grand total	32, 891	33, 550	8, 932

[1] Including Batum.
[2] At Moscow, Gorki and Yaroslavl.
[3] Including 758,000 tons cracking capacity in the Ukraine, lost in 1941.

Total Russian Oil Resources

Russia's oil resources in 1940 are presented in the accompanying table. About 70 percent of the total was produced in the Baku oil fields, another 15 percent from the fields at Maikop and Groznyi. For 1942 the production at Maikop has been estimated at the rate of 1.4 million tons; at Groznyi, 2.7 million tons; and at Baku, 24 million tons. Production at Baku has increased, while that at Maikop has declined by a half, due probably to the transfer of workers and equipment to safer areas. The output of the Ural-Volga, Sakhalin, and Asiatic regions is

estimated to have risen since 1940 from about 4.6 million tons to 7.5 million tons, an increase which is nevertheless considerably less than the planned figure of 12.5 million tons. No definite information on increases in refining capacity in these areas is available, although it is assumed in this study that capacity has been expanded to keep pace with the output of crude.

Russian Requirements

Russian military requirements cannot be estimated with complete accuracy, but in 1941, at the time of the heaviest fighting, military experts placed probable military expenditure of oil at more than 400,000 tons a month.

In the meantime the number of Russian tanks and planes needing oil has perhaps been reduced by half or even more. Balanced against this is the fact that rail facilities of the Russian army this summer are much poorer than in any chief theatre of action in 1941, hence the supply services are far more dependent on truck transportation. In evaluating future military requirements, however, the extent and intensity of combat may be even more important than the factors mentioned above. Available data are entirely inadequate for an authoritative estimate of these requirements, and it must be understood that our present estimate, therefore, is somewhat arbitrary. If we assume, however, that fighting will be mainly confined to defensive operations, military demand has been tentatively estimated at about half the 1941 maximum rate, or 2 to 2.5 million tons a year.

An estimate of essential industrial and civilian Russian demand after the loss of the north Caucasian and southern Volga area can only be as tentative as

TABLE II.—*Russia's mineral oil requirements in 1940* [1]

	Area I		Area II		Area III		Total Russia
	Lost in Farthest German Advance During 1941		Between 1941 line and line Astrakhan-Stalingrad-Saratov-Gorki and Archangel (Volga Line)		East of Volga Line		Area I & Area II & Area III
	Thousand Tons	Percent of Total	Thousand Tons	Percent of Total	Thousand Tons	Percent of Total	Total
Agriculture	1, 880	28	2, 020	30	2, 800	42	6, 700
Mining and manufacturing	1, 380	25	2, 360	43	1, 760	32	5, 500
Commercial vehicles	380	25	640	43	480	32	1, 500
Railroads	760	28	810	30	1, 130	42	2, 700
Shipping	160	20	260	33	380	47	800
Other industry	320	25	560	43	420	32	1, 300
Home lighting and heating	1, 080	40	890	33	730	27	2, 700
Military stocks, and exports [2]	100	------	4, 430	------	70	------	4, 600
Total	6, 060	24	11, 970	46	7, 770	30	25, 800

[1] Based on the O. S. S. study on *The Effect of Territorial Losses on Russia's Petroleum Position.*
[2] Allocated arbitrarily.

that on future military requirements. A consumption pattern of various strategic areas in 1940 is given in Table II.

Free Russia would, according to our assumptions, comprise Area III and a large part of Area II. The 1940 civilian requirements of this area would amount to 11 million tons (this figure excludes the 4.5 million tons which in 1940 were used for military stocks or exports, and also an estimated 3–4 million tons consumed locally in the Transcaucasus and the areas lost in the present fighting). The transfer of many industries from the west to the east, the necessary intensification of agricultural production, the larger transport requirements by rail and road, and the increase in population by at least 20 million refugees must obviously have led to a very considerably increased civilian oil demand in unoccupied Russia. It is not likely that the restriction of nonessential uses or the employment of other fuels will completely compensate for this increased civilian demand. Thus, if all the indicated needs are to be met, the military and vital civilian demand of unoccupied Russia (exclusive of Caucasia) probably will amount to 13–14 million tons a year.

The Problem of Transportation

To fill these needs (if the north Caucasian area is lost), the Russians will face above all a problem of transportation. While Baku, if it is held, can still be bombed, the large excess of production and refining capacity there makes it likely that, with a reasonable degree of protection from air attack, a substantial output can still be maintained. Shipping on the Caspian also would be subject to attack, but here again the loss of some tankers probably would create no bottleneck (it was estimated that 17.6 million tons of oil were shipped in 1939 in Caspian tankers from Baku). The bottlenecks would develop at other Caspian ports and on Russian rail lines that would need to be used in place of present facilities.

The Volga is the chief artery for oil shipments from Baku to the north. Should the German advance on Stalingrad close this route, the Russians could still carry oil in tankers to two Caspian ports connected by rail with the rest of Russia—Krasnovodsk and Chapaev (Guriev). The line from Krasnovodsk runs to Tashkent, and from there to Orenberg (Chkalov), a total distance of 3,700 kilometers. From Guriev, the railroad runs north to Orsk, 1,300 kilometers (the Orsk-Kandagach section of this railway was scheduled for completion in 1941, and a reliable source states that the section actually has been completed).

If the Germans block the Volga, these rail lines would be needed for the transport of other goods besides oil—principally American and British supplies coming up from the Persian Gulf and manganese from the Chiaturi mines. Hence, if the present planned flow of Anglo-American supplies, together with manganese shipments, were to be carried by rail, sufficient capacity would remain to carry only 3.5 million tons of oil a year. Since the fields in the Tashkent area produce about 500,000 tons of oil, which would partially occupy the Tashkent-Orenburg lines, the quantity of Baku oil which might be hauled from Guriev and Krasnovodsk would be reduced to approximately 3 million tons. If the flow of manganese were reduced, that of oil could be raised proportionately. This assumes, however, that no other commodities are hauled over this line (cotton from Russian Central Asia via Tashkent and Orenburg usually forms a part of the traffic, but might instead be moved over the Turk-Sib Railway).

About 6,500 ordinary freight cars, 15,000 tank cars, and 1,000–1,200 locomotives would be needed. If tank cars have been successfully withdrawn northward to the Volga from the Baku-Batum and Baku-Rostov lines, all these will be available. Port facilities at Guriev and Krasnovodsk, however, would not now be equal to this traffic, and would need to be enlarged. Moreover, the Caspian near Guriev is frozen from January to March, although it could be kept open by ice-breakers. It is here assumed that this would be possible, or that stocks could be built up at Guriev; otherwise the anount of Baku oil which could be hauled north would again be reduced by half a million tons, to a total of 2.5 million per annum.

In addition to the rail lines, a 12-inch pipe line serving the Emba fields (near Guriev) runs from Guriev to Orsk. Our calculations do not take into account the possibility of sending additional quantities of Baku crude oil through this pipe line, since the increase in output of the Emba fields probably will occupy present capacity. Additional pumping stations, however, might increase its intake.

The Russian Deficit

From Baku's total capacity of 24 million tons per year, a supply program of 3 million tons a year is thus not unreasonable. Together with the estimated production of 7.5 million tons in other areas of free Russia, total supplies would run between 10 and 11 million tons. If we set full requirements at our previous estimate of 13–14 million tons, the deficit would amount to between 3 and 4 million tons annually. The Russians must either import this quantity, withdraw it from stocks, or cut down on essential consumption. It is extremely doubtful whether available overseas transport facilities could carry increased quantities of imports. The size of stocks in free Russia is not known, although it is reported that during May oil shipments up the Volga were 20 percent higher than during the corresponding month last year. (A British source recently has estimated that stocks in unoccupied European Russia amount to at least 10 million tons.)

It is entirely possible that with the help of American equipment and technicians, oil production outside the Caucasus might be raised to a point where the prospective deficit of essential requirements could be met before stocks are exhausted. If the deficit were met, however, it would be due in the last analysis to the precipitate decline in consumption which our estimates postulate. Compared with the 1940 level, the consumption of 13–14 million tons of oil represents a decline of approximately 50 percent. Such a decline in requirements indicates how greatly weakened is Russia's fighting potential. Even if we assume that the lines will hold on the Volga and northward from Voronezh on the present front, Russia's oil position would indeed be serious and difficult. If our estimates are correct, however, the loss of the oil of the northern Caucasus and the great reduction in the shipments of oil from Transcaucasia (Baku) need not be decisive in her war effort.

What Germany Gets

Assuming that the Russians are able to apply effective "scorched-earth" tactics to the oil wells, refineries, storage, and transportation facilities of the northern Caucasus, Germany might obtain a flow of production from this area

10–12 months after the conquest of Maikop, of about 5 million tons of oil a year. Production during the first 10 months should amount to about 2 million tons. All of this probably will be used locally and in other areas of occupied Russia, if the reconstruction of refinery plants keeps pace with the rate of recovery at the wells.

As soon as a rate of 5 million tons a year is achieved, production might be divided as follows: 2.5 million tons, or about one-third of 1940 agricultural and industrial consumption, for urgent civilian requirements in occupied Russia (heretofore largely left unsatisfied); and 1.5 million tons for military use in occupied areas and on the fighting front, now supplied from German sources. Supplies available to Axis Europe will be increased by this 1.5 million tons, which will no longer need to be sent to the Russian theater of war, and by 1 million tons which will probably be shipped to Rumanian refineries. A relatively large percentage of the quantities which could be made available to Germany might consist in lubricating oil since potential output at Caucasian refineries would vastly exceed local demands.

The north Caucasian oil will thus relieve the Axis lubricating oil position and will also allow Germany to exploit the economic resources of occupied areas in Russia much more effectively than heretofore. It will help to solve the difficult transportation problem from Rumanian oil fields and German oil plants to the Russian battle lines. The gains, therefore, will be of great value to Germany's military operations in Russia and to her program of exploitation. Her over-all oil supply position, though somewhat eased, will remain tight. Without the possession of Baku and assured transportation connections from Baku, this position cannot be expected to change materially.

APPENDIX II

THE TWO-TON BOMB

The brief comment in *The War This Week* (No. 42, July 23-30, pp. 6–7) on the increased use by the R. A. F. of 4,000-pound bombs has brought to the attention of the editors certain differences of opinion as to their efficacy. The following, drawn from the views of responsible military authorities, represents an attempt to define the issues in question.

1. Anatomy of the Bomb.

The only type of 4,000-pound bomb now manufactured in Britain has a 75 percent explosive charge and a 25 percent mild steel casing. This percentage of explosive to total bomb weight is greater than in most other American and European bombs. It is generally referred to as a "high capacity" bomb. A case constructed of mild steel and limited to approximately 25 percent of the total bomb weight does not have strength enough to withstand the force of impact when dropped against solid objects. Thus this type bomb must be fused to detonate at the instant of contact in order to secure high order detonation before

the case has a chance to rupture. The purpose of such a bomb is to secure wide destruction of surface objects as a result of the great lateral blast, or shock wave, produced.

The performance figures given earlier in *The War This Week* were calculated figures to show what might be expected of a two-ton bomb in power and penetration, and were presumed to apply to the more conventional American 50–50 relation between weight of explosive and casing. These figures do not, therefore, apply to the 4,000-pound bomb used by the R. A. F., which has a greater explosive charge and very limited penetrability.

2. Criterion of Bomb Performance.

The utility of a bomb of given weight and construction can be judged only with respect to its effectiveness against the proposed target objective. The bombing of a naval vessel obviously requires a different weapon than the destruction of railway facilities. The most suitable bomb for an objective must have the maximum explosive charge compatible with the necessary casing and time fusing to obtain the desired penetration before detonation. It is a maxim of bombing technique that large bombs should not be used against specific targets or general areas which can be damaged more effectively by an equivalent total weight of smaller bombs.

3. Area Bombing.

Penetration before explosion is of great importance against some objectives, most notably naval vessels and certain types of industrial targets. In area bombing, where little reliance is placed on a given bomb squarely hitting a specific target, British policy had tended towards dropping a maximum weight of explosive charge in great concentration, without regard to penetrability.

The nature of the British 4,000-pound bomb makes it particularly suitable for "blitz" bombing of urban districts. Large areas of residential buildings can be destroyed by its blast effect. Instantaneous fusing is accepted as correct for destruction of objectives of this nature. The greater weight of explosive charge results in a more intensive shock wave covering a wider area than that of one general purpose 2,000-pound bomb, or of two such bombs, if dropped at the same point. The weight of explosives in the 4,000-pound bomb is approximately three times as great as that of one general purpose bomb of 2,000-pound size. There is no point, however, in dropping two 2,000-pound bombs at the same point. They should be separated by at least the diameter of the effective destruction area of each. In general, it may be stated that the 4,000-pound bomb produces a more damaging effect but over a smaller total area than several smaller bombs involving the same total weight of explosive if dropped in the area but separated one from another so as not to overlap areas of destruction

The British use of heavy bombs is connected with their policy of employing both high explosives and incendiaries in area raids. European experience appears to be that fire is probably the most effective agent for the destruction of residential buildings, and even of some industrial objectives. A typical sequence of R. A. F. attack is as follows: (1) Incendiaries are dropped to light the target area; (2) high explosives, including an increasing proportion of two-ton bombs, follow; (3) incendiary bombs are sown in the areas damaged by the explosives. In this

process, the destructive blast effect of the two-ton bomb aids in spreading the fires. It damages roofs so that incendiaries can penetrate to inflammatory material, and causes draughts by breaking in windows and blowing in doors over wide areas. The destruction of buildings wrought by the heavy bombs, and the breaking of water mains, also complicates the task of the fire fighters.

There is some conflict of view with respect to the effectiveness of 4,000-pound bomb. against public utilities in urban areas. A 5–10-foot penetration is usually required to destroy such objectives. In the German raids on England, water mains, gas mains, and electric utilities were damaged, at times extensively, in almost all raids. This occurred despite the fact that no 4,000-pound and few 2,000-pound bombs were dropped. It is possible that a larger number of smaller bombs, which can cover a wider area, may be more effective for this task than two-ton missiles.

The two-ton bomb is, furthermore, not as clearly useful against certain types of industrial objectives as it is against residential buildings within the general target area. When the factories are of modern construction, and have specially reinforced roofs, penetration may be required to achieve maximum damage. On the other hand, it is argued that the greater blast of the two-ton high explosive damages machinery which often remains substantially unharmed by lighter weight bombs.

4. Precision Bombing vs. Area Bombing

Precision bombing is based on the theory that the carrying capacity of aircraft should be employed to bear the maximum number of bombs, each capable of achieving the desired destruction. Maximum effectiveness in bombing demands hits on the object to be destroyed. The chances of securing hits on a given target are vastly better if two bombs or more are dropped in a properly spaced train (British "stick") than if an equivalent weight is concentrated in one bomb. Advocates of precision bombing, as opposed to area bombing, therefore, do not generally favor the use of the two-ton bomb, since they claim that almost all industrial targets would be destroyed by suitably placed bombs of lesser unit weight. The issue, however, turns less on the capabilities and performance of the two-ton bomb, as opposed to an equal weight of other types, than on major questions of bombing tactics and technique.

APPENDIX III

R. A. F. NIGHT BOMBER OPERATIONS

An earlier report on R. A. F. night bomber operations against Western European objectives covered the period from March 1 to June 6 (*The War This Week*, June 18–25, pp. 13–14). A further statistical analysis of these operations, extending the period covered to include June and July and introducing certain refinements of technique, has now been completed by the Economics Division of the Office of Strategic Services.

The first report analyzed the night raids taken as a whole. In the present study, the data were arranged to group together raids on which flight distances covered and cloud conditions over the target area were roughly similar. This procedure tends to eliminate the influence of flight distance and weather on the relationships between the number of planes dispatched and the two variables of plane casualties and planes reaching the primary area of attack. In addition, it affords some tentative conclusions on the effects of distance and weather on both casualties and ability to locate the primary target.

The general applicability of conclusions is seriously limited, however, by the small number of observations in many of the categories employed, as well as by uncertainty as to the exact meaning of such terms as "primary target" or "casualties". Also, again because of the scarcity of data, no allowance can be made for variations in the intensity of enemy opposition, including both anti-aircraft fire and fighter planes, or for variations in the training and skill of the navigators.

1. The number of plane casualties suffered during night bomber operations varied widely in relation to the size of the raid during the period studied. When fewer than 100 planes are dispatched, the small amount of evidence available showed an increase in casualties as the size of the raid increased. On raids of more than 100 and fewer than about 350 bombers, for which there were the most observations, the number of casualties did not vary with the size of the raid in any consistent manner. On raids of more than 350 planes, the few observations available again showed a tendency toward proportionality between casualties and the number of planes dispatched.

2. The loss rate for raids against areas in Germany (300–600 miles from London) was 4 percent for June and July—approximately the same as in the former study. There is some evidence that the casualty rate increases as the flight distance increases. The loss rate for raids on France (100–300 miles), although based on only a few cases, was less than the rate for raids on Germany.

3. No correlation was revealed between the size of the raid and the ability to locate the primary target of attack. The percentage of planes reaching the primary target appears to vary independently of the number of planes dispatched but is influenced by differences in the distance flown. The average was around 90 percent for distances under 300 miles, and nearer 75 percent for 300 to 600 miles.

4. There is some evidence to warrant the tentative conclusion that as cloud conditions become worse, the casualty rate decreases. This may be explained by the fact that dense cloud protects bombers from anti-aircraft fire in flight and also over the target if they bomb from above the clouds. The data on the number of planes locating the primary target show no influence of weather conditions upon the degree of success achieved. This may be because ability to find a target depends primarily on the training and skill of the navigator. It may also reflect the fact that in some instances "locating" the primary target apparently meant navigating by instruments to the estimated position rather than direct observation of the target.

5. The additional two months of data on R. A. F. night bomber activities revealed certain changes in the strategy of attack and in the intensity of operations as compared with the preceding three months. The ratio of total tonnage of high explosives to incendiary bombs stood at about 2:1 during the March 1–June 6 period. Since the latter date, the trend has been slightly toward a more intensive use of incendiary bombs in the raids on German industrial areas. As a result, the proportion of high explosives to incendiaries was 7:4 for June and July.

There has been a pronounced increase in the use of 4,000-pound "block busters" in the R. A. F. bomber attacks. A sample of raids for the first ten days of each month indicates that the proportion of the weight of these bombs to the total weight of high explosives employed rose from less than 20 percent in March to about 40 percent in July. In the 635-plane raid against Düsseldorf on July 31, the proportion was close to 60 percent.

6. If we leave out of consideration the raids of more than 1,000 planes, which took place against Cologne on May 30, Essen on June 1, and Bremen on June 25, and which are special cases, there has been a marked increase in the scale of operations. The average number of planes dispatched on nights when bomber operations were undertaken was 256 for June and July, as compared with 164 planes for March, April, and May. In June, the R. A. F. operated on a comparatively low scale after the raid on Essen, building up gradually to the mass attack on Bremen at the end of the month. The next large-scale raids took place on July 26 and July 31, when 425 and 635 planes respectively were dispatched. This may be indicative of a new level of activity, considerably higher than the previous peak of 350 for raids short of 1,000 planes.

7. The average number of nights of major activity per month (when more than 50 planes were dispatched) is 12 for the entire period. In the past two months, there have been fewer nights in which less than 50 planes were dispatched, indicating again a step-up in scale.

There has also been a pronounced decrease in the number of attacks against shipping and dock facilities along the French coast. All of the raids of 50 planes or more during the latest two months of operations were against objectives within Germany itself. The monthly average of raids against German territory was 10 during March, April, and May.

APPENDIX IV

THE STABILITY OF THE VARGAS REGIME IN BRAZIL

The key to the continued close cooperation of Brazil with the United States is President Vargas himself, according to a highly placed source recently returned from Brazil. The latter describes Vargas as recovering satisfactorily from his recent accident. The loyalty of his cabinet cannot be doubted, especially now that certain questionable elements have been removed. General Dutra is considered a relatively weak person, who can be depended on to carry out the President's orders in every particular. General Goes Monteiro is more uncertain, but he is completely loyal to the President. It is improbable that the General would "sell-out" to the Nazis.

No force in Brazil at present threatens the stability of the Vargas regime. President Vargas enjoys great personal prestige among Brazilians of all classes,

and no other political leader of similar stature exists either in the country or in exile. There is no liberal movement and no coherent liberal groups which are politically important. The Integralists, who have close connections with Berlin, are the only possible threat to Brazilian stability; their strength is uncertain but probably not great, and it will decrease if and when there is a decided victory scored by the United Nations.

If President Vargas should die or be incapacitated, a very serious situation might be anticipated in Brazil. Since no successor seems to be available, the resulting scramble for positions of power would undoubtedly precipitate internal disorder. The Axis would most certainly take advantage of this state of affairs.

The German Minorities

The German minorities in south Brazil are 100 percent pro-Nazi, according to the same source. They are, however, closely watched by the Brazilian police. The latter are thought to be entirely adequate for this work. The German colonies are separated by relatively empty country across which communication is very difficult, so that no close-knit anti-Brazilian organization could readily come into existence. It is not believed possible that any large supplies of arms and ammunition could be hidden where the colonists could make use of them. Communications with Germans across the border in Argentina are not easily maintained in the face of the close watch kept by the Brazilians.

Argentine-Brazilian Relations

A very explosive situation exists along the Rio Grande do Sul-Argentine border. An incident there might lead to war. The Brazilians are aware of the danger of such an incident and are doing their best go guard against it. Neither Argentines nor Brazilians are really anxious for a fight. Nevertheless, Axis agents are doing their best to stir up trouble. This situation will bear close watching.

The recent Brazilian loan to Paraguay represents an attempt on the part of the Brazilians to wean the Paraguayans away from their close attachment to Argentina. It is not anticipated, however, that much can be accomplished along these lines.

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THE WAR THIS WEEK

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For the President

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Office of Strategic Services

THE WAR THIS WEEK

Coincident with a decrease in the speed of their Caucasus campaign, the Germans this week have launched their general offensive on Stalingrad. Here Timoshenko has committed the reserves of his Southern Army and evidently intends to make a major defensive effort. In the Southwest Pacific, the Japanese also have begun a major effort—a large-scale attempt to recapture our newly won bases in the Solomons, which may already have resulted in considerable damage to Japan's remaining carrier strength. At the same time, however, the Japanese have succeeded in moving into Milne Bay in New Guinea, considerably augmenting the threat to Port Moresby.

In the west, the Allied raid on Dieppe, characterized by the largest air combat since the Battle of Britain, has drawn attention to the strain placed upon the *Luftwaffe* by its present far-flung commitments.

In Egypt, Allied observers expect that a renewal of Rommel's offensive—despite constant United Nations attacks on German supply lines—may come at any moment. Meantime, the disagreements between De Gaulle and the British over the present political status of Syria and the Lebanon have reached a critical state. In France itself, reports suggest that the Germans may be planning to keep Laval in power for the present at least. Further evidence that the Nazis are attempting a penetration of French North Africa has appeared in the arrival there of German agents disguised as students.

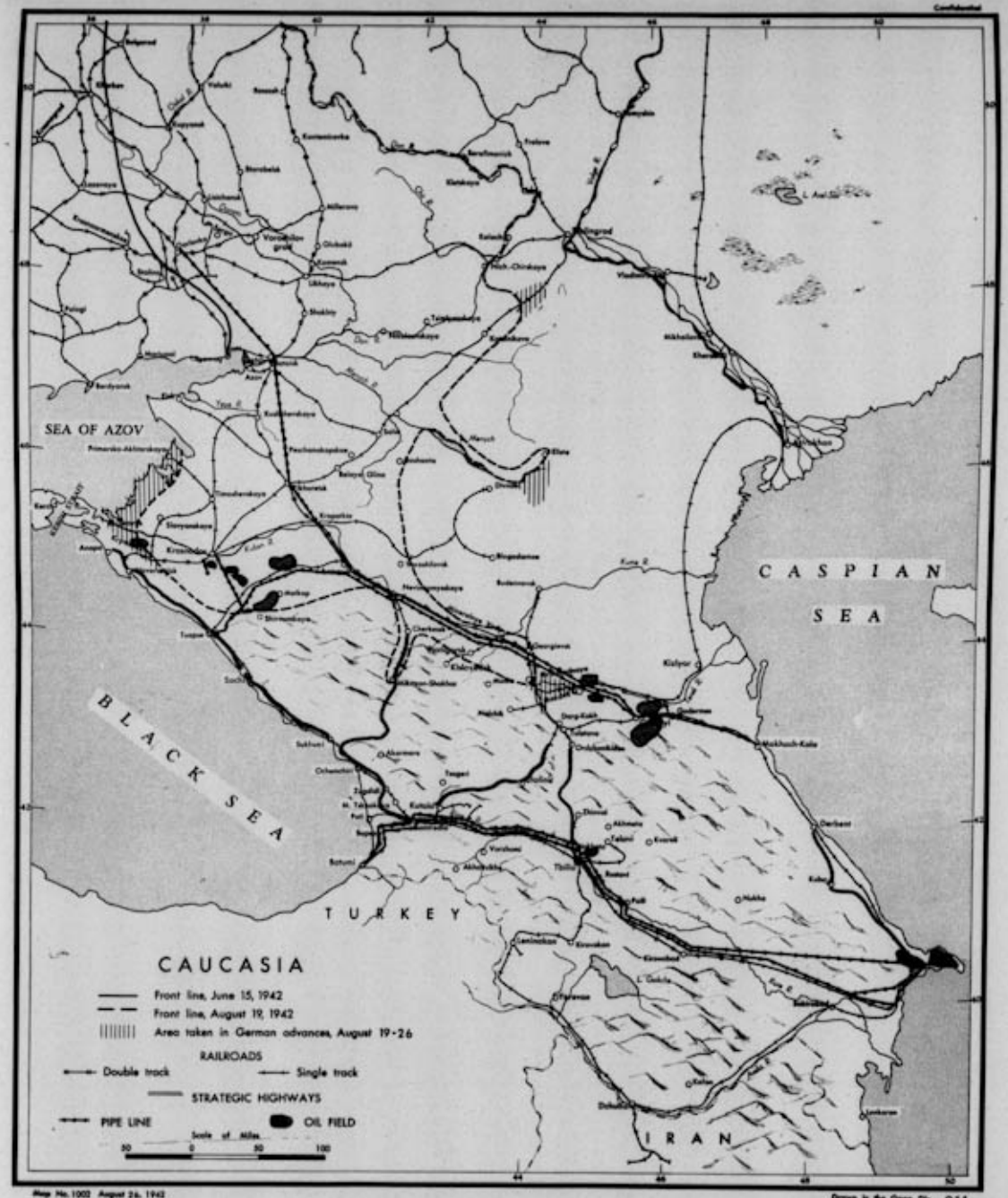
The pro-Congress agitation in India is beginning to take on form and direction, accompanied by a perceptible curtailment of India's steel and aircraft production. Compromise efforts must now reckon with the Moslem League's stubborn insistence on the creation of a separate Moslem state, as expressed in the recent resolution of the League's Working Committee. In China, Chiang Kai-shek's troops have reoccupied several towns in Kiangsi and Chekiang, in the wake of Japanese withdrawals for which as yet there is no adequate explanation.

Brazil's declaration of war on Germany and Italy probably foreshadows a further rapprochement between President Vargas and the pro-democratic elements of the country. Portugal has expressed her "moral solidarity" with her sister nation, while several South American nations have extended non-belligerent rights to Brazil. The Brazilian action has probably strengthened elements in Chile favoring a rupture with the Axis.

The Battle of Stalingrad

As the Germans have at length established a new bridgehead over the Don southeast of Kletskaya and have advanced along the Caucasus railway as far as Mozdok, it has become evident that the battles for the strategic centers of Stalingrad and Groznyi are reaching a crisis. Around the Volga river city, the Russian command has apparently adopted a system of defense in depth, and is throwing its best troops into the battle. Beyond Kotelnikovo, the southern German pincer, advancing slowly and at heavy cost, has broken at least one Soviet defensive line. In this sector, however, the Russians may now have air superiority.

Both sides apparently face serious supply difficulties. The northern German pincer has probably cut the railroad run-


SEA OF AZOV
BLACK SEA
CASPIAN SEA
TURKEY
IRAN
CAUCASIA
Front line, June 15, 1942
Front line, August 19, 1942
Area taken in German advances, August 19-26
RAILROADS
Double track
Single track
STRATEGIC HIGHWAYS
PIPE LINE
OIL FIELD
Scale of Miles
50 0 50 100

ning south from Povorino to Stalingrad, and the Nazi air force has continued to bomb shipping on the Volga. These developments have doubtless forced the Russians to depend for their supplies to an increasing extent on the narrow river roads on each side of the Volga. The Germans themselves, however, are operating at the ends of only two railroads, the Tikhoretsk-Kotelnikovo-Stalingrad line, and the line from the Donets basin through the Don bend to Stalingrad. The necessity for retracking these railroads may partially account for the recent delay in launching a general attack in this sector. Furthermore, the German troops on the bridgehead southeast of Kletskaya are obliged to operate with no railroad supply line.

The Battle of Groznyi

Meantime the German advance eastward toward the Caspian has notably slowed. Here two Nazi mechanized columns are apparently trying to close a pincer on the Groznyi area. Yet it seems unlikely that the Russians will make the same sort of last-ditch stand for the oil fields around Groznyi that they are making north and south of Stalingrad. Farther north, the Nazi mechanized column that captured Elista several days ago, instead of going on toward Astrakhan, has apparently turned south to protect the left flank of the German forces advancing on Groznyi. Nazi propagandists are now making capital of the fact that German mountain units have planted their flag on Mt. Elbrus, the highest peak of the Caucasus. More important, they probably also have taken several passes through which they may be able to attack the Russian defensive position south of the mountains.

To the west, the Red Army is still holding the low mountain passes before Novorossiisk and Tuapse. In this sector the Nazis have taken the small town of Krymskaya near Novorossiisk and the port of Temruk, and now control the

entire Sea of Azov. Farther to the west the Germans are apparently beginning to use the Crimean port of Feodisiya as a forward base; this development suggests that with the steady retirement of the Soviet navy, German shipping is now venturing into the eastern part of the Black Sea.

Developments in the North

In brief, except around Stalingrad, the week has seen notably small changes on the southern front. On the central front, the Russians now report a 25 to 30-mile advance in the Rzhev area, while air operations have been actively pressed in all sectors. In Finland, reliable reports suggest that the Germans have taken over the whole front from Rukajarei to the Arctic, and are constructing permanent installations for another winter. They have subjected Archangel to heavy bombardment, and are continuing preparations for an assault on Murmansk. According to another report, however, repeated German bombing of Murmansk has thus far failed to interrupt the unloading of supplies from Britain and the United States.

Second Round in the Solomons

Counterattacking in strength, the Japanese this week set about their expected attempt to reconquer lost positions in the Solomons—an attempt which at last account was still continuing. A battleship, two carriers, and "several" cruisers have been damaged by our land- and carrier-based planes, according to a naval communiqué. The striking force approached our bases in the southern Solomons from the northeast. Since considerable enemy naval activity previously had been sighted to the northwest, in the vicinity of the Faisi and Fauro Islands (south of the large island of Bougainville), the enemy evidently was committing a size-

able new force, assembled in the Marshall or Caroline Islands far to the north.

While this engagement was in progress, the Japanese succeeded in occupying Milne Bay, a strategic position at the tip of the Papuan peninsula in New Guinea. The move, accomplished despite Allied air attacks, considerably augments the threat to Port Moresby.

The naval-air engagement in the Solomons was preceded by at least one earlier Japanese attempt to infiltrate our positions. Some 700 Japanese soldiers, landing at night—presumably on Guadalcanal, the site of our air base—were discovered and virtually annihilated by the defending marines. (Thirty survivors were captured.) A strong enemy air attack on Guadalcanal Sunday afternoon (August 23) was intercepted and at least 21 enemy aircraft were shot down. With this auspicious beginning, the engagement apparently was progressing favorably, although details were still lacking on Thursday.

Japan's Carrier Strength

Prior to the present battle, Japan's carrier strength may have consisted of as many as five regular carriers and five converted carriers. Of the regular carriers, three may be of the large, new *Shokaku* class, two of which have apparently been kept with the home fleet up to the present, and one of which was damaged in the Coral Sea engagement. One and possibly two carriers of this class may be taking part in the present battle, one already having been hit. Two smaller carriers, the *Ryujo* and the *Hosho*, until recently were operating in the Aleutians area. The first of these is now reported as damaged and burning in the current battle.

Japan's carrier losses to date can be estimated as follows: the large carriers *Akagi* and *Kaga* and the smaller carriers *Hiryu* and *Soryu*, sunk in the battle off Midway, and one