

● PSF Treasury Dept.

Henry Morgenthau Jr. July -
Dec. 1940

Part II

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memorandum	FDR to Morgenthau, with attachment	11-5-41	C

FILE LOCATION

PSF: Treasury Department: Henry Morgenthau, Jr. 1941

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PSF: Morgenthau 1

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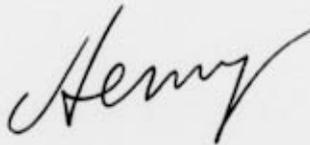
THE SECRETARY OF THE TREASURY
WASHINGTON

July 1, 1940

My dear Mr. President:

If you should decide to run
for President, I would like to again
recommend Bill Douglas as your running
mate.

Yours sincerely,



The President,
The White House.

THE SECRETARY OF THE TREASURY
WASHINGTON

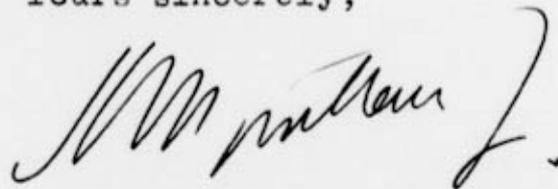
July 2, 1940

Dear Missy:

I would appreciate if you would personally put the inclosed letter into the President's hand.

You will note that I have not sealed it as I thought you might be interested in reading it yourself.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Miss Marguerite Le Hand".

Miss Marguerite Le Hand,
Secretary to the President,
The White House.

(Undated)

✓ Came to file about July 1, 1940

~~CONFIDENTIAL~~
Rene de Chambrin's
Report

BSF
Morgan
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REPORT FOR SECRETARY MORGENTHAU

The following impressions are based upon observations which I was able to make between the day when the German attack began on May 10, 1940, and the fifth of June. I acted as liaison officer between the group of French armies (Seventh, First, and Ninth) and the divisions of the British Expeditionary Force which were placed under the command of General Blanchard.

During the campaign of Flanders I spent most of my time attempting to establish liaison between General Blanchard and the British divisions, hampered as I was, owing to all roads in Belgium being blocked by the fleeing refugees. (Incidentally, this exodus was "organized" methodically in every village by agents of the German Fifth Column.) I was able to examine many members of the crews of German bombers brought down either in Belgium or in France in the sectors of these British divisions. Owing to the impracticability of communicating between units, I informed only General Weygand of the result of the following investigations when I was in Paris just before taking the clipper to fly to the United States.

On May 10 the German bombing force (i.e., excluding fighting and reconnaissance planes) was comprised of nine thousand planes, all of which were placed before the attack on innumerable fields throughout German territory. To explain the importance of the initial attack and its subsequent repercussions, I will quote from the testimony given by one of the lieutenants acting as aircraft commander, who was brought down on the morning of May 10. His testimony was corroborated by two or three other prisoners.

Question: Where were you during the evening of May 9?

Answer: I was at airport No. 127a, a few miles south of Charlottenburg.

Question: How many planes were there on that particular field?

Answer: Eighteen bombers, that is to say, two squadrons.

Question: Who commanded the squadrons?

Answer: Either captains or majors.

Question: When did you receive your orders?

Answer: At midnight (ninth-tenth of May) our captain received the orders to fly my squadron, that is to say, nine bombers, to airport No. 65b.

Question: Did you know where this airport was situated?

Answer: No.

Question: How did you learn where it was situated?

Answer: A few minutes before we took off an itinerary of the flight was given to each pilot.

Question: When did you reach airport No. 65b?

Answer: At three o'clock in the morning, May 10.

Question: What happened there?

Answer: Thirty-six small calibre bombs were loaded on each plane. Each plane was refueled, and we received orders to go and bomb the railroad station of La Bassée and the airport of Lille.

Question: Did you know that Belgium and Holland were being invaded at that time?

Answer: No.

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greater and greater. At the beginning of the campaign they were able to bring down an average of two German planes to every one British plane lost. During the last days, when they began to make use of the Defiant planes, that average increased in the favor of the British to four and five planes to one. When German bombers made a formidable effort on Calais, Boulogne, and Dunkirk (a task in which they were not successful), it was interesting to observe that they did not have enough bombers to complete the task on the other side of the Channel at Dover and Folkstone.

A few days later the Germans put into the first line all of their available aircraft, and they were only able to organize a raid of 155 bombers over Paris, of which twenty-seven were brought down. Losses sustained were well over three thousand when I left France. The official figure of losses, communicated to me confidentially by the Royal Air Force when I was in London during the last of May, was 1,487 bombers brought down by the Royal Air Force behind the Allied line. This figure did not take into account French figures. We do not know, of course, the figures for bombers destroyed on the ground in Germany and occupied Belgium and Holland. To these figures one should, of course, add the wear and tear, accidents, etc. When I left Paris, I was informed at the French headquarters by General Weygand that a message had been captured by the French second bureau, sent by Goering to the superior officers of the German Air Force, requesting them to hold out for a few more days despite the severe losses they had suffered.

All the above and many other details which I observed point to the conclusion that the German bombing force, while not completely destroyed, is

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no longer, on account of the scarcity of trained crews, in a position to deliver a decisive blow to the British Empire.

As far as large scale attacks on Great Britain are concerned, the following observations should be made:

1. The morale of the Royal Air Force fighters is extraordinary. While certain reservations can be made with reference to the ability of the British infantry and artillery to fight the Germans on land, the pilots are far superior to the German pilots. They like their jobs, and they know they have the best equipment.

2. While it was difficult for Great Britain to use many fighters to protect France (the number of fighters of the advance striking force under the orders of the French command was much smaller than the number of fighters retained in England), today all the fighters which can only stay in the air for one-half to one and one-half hours because of the weight of armament and consumption of fuel, are protecting in a most efficacious way the vital objectives in Great Britain.

3. The output of fighters is increasing every day in Great Britain.

4. The Dunkirk experience, where practically all the German strength was employed to prevent traffic in one single small port, shows that it will be very difficult for the German air force to bottle up all the British sea ports. One must remember that in Dunkirk during five days and five nights, despite continuous raids, ships came with food and munitions and left with 335,000 men. Moreover, the British fighters which were based on airports

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on the British side of the Channel brought down an average of some seventy-five to one hundred bombers a day over Dunkirk.

5. As against England and the British Empire, the objectives of the German bombers are innumerable (all the ports and industrial centers, Leeds, Glasgow, Sheffield, Birmingham, London, etc), whereas the Ruhr, comprised of over twenty million inhabitants engaged in making war materials, concentrated in an area seventy miles square, is the greatest target for bombing in the world. Moreover, the people of the Ruhr, who are mostly Rhinelanders and not Prussians, do not possess the warlike morale of the latter, and we know in France that the small raids made over this district have already produced a very great moral effect and caused material damage, which explains one of the reasons why Hitler has to win this war very quickly. Before I sailed, the local German radio stations were constantly sending appeals to the civil population of the Ruhr for calm and confidence, stating that although the people of Germany were suffering, their hardships were far less than those of the British and French peoples.

Were Great Britain to have at her disposal an ever increasing number of bombers, I believe that the effect of continuous raids on the Ruhr (while the German Government would have to explain the reasons for not attaining the immediate victory over Great Britain which they have announced) might well prove decisive.

The British Empire is, in my mind, very far from being beaten for the following reasons:

1. Historical -- Hitler controls today one-half of Europe and has not yet reached the British Isles; Napoleon controlled the whole of Europe and

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was incapable of defeating Great Britain, which then did not have the power she has today.

2. Preparedness -- Great Britain is now just beginning to feel the possibility of defeat. All her industries which were not ready for war on September 3 are just now swinging into production. She is not tired like Germany by a campaign of several years of production on a severe war-time basis.

3. While France was fighting for Great Britain and fatiguing the German war machine, Great Britain was getting ready, and today, after France's Army's defeat and nine months of war, Great Britain has sustained only extremely minor losses, to-wit: 35,000 men (prisoners, wounded, or killed,) (it is not known in this country that the British Expeditionary Force lost only 1,200 men in Norway) on the other hand, the Home Fleet has only lost two airplane carriers, one battleship, a few cruisers, and about thirty destroyers, and ten submarines. To attack the British Empire successfully, the Germans would have to employ a great air force, which they no longer have, and a considerable fleet. In this connection, it is my opinion that the Italian Fleet will not help Germany in the Atlantic. The Mediterranean is the "Mare Nostrum" of Italy, and I do not believe that Italy's dictator, who needs his fleet to control the Mediterranean, will place it at Hitler's disposal in the Atlantic. One must not lose sight of the fact that the war is not won for the Axis in the Mediterranean, where Great Britain and the French Colonies can offer a great resistance to Italy. The Arabs, who are

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all sympathetic to France and Great Britain and hate the Italians, constitute a considerable strength, which the Italians would have to cope with. Moreover, she will have to take into account the strength and ambitions of Turkey, Russia, etc.

Should the European people, particularly the French, acquire the feeling that, given adequate assistance from the United States, Great Britain will not yield to Germany, they will, by their active or passive resistance to the 75 million Nazis, be able to play their part in the struggle of all the forces which today, as in 1918, are consciously or unconsciously fighting to prevent Germany from dominating the world.

TELEGRAM

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The White House
Washington

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The White House
July 24 1940

THE PRESIDENT

Leo Crowley and Stewart McDonald both hold
lucrative positions in private business. I
recommend that effective August first, they
be permitted to resign from their respective
Government jobs and devote their entire time
to their personal businesses.

Henry Morgenthau, Jr.



THE SECRETARY OF THE TREASURY
WASHINGTON

July 24, 1940

*Ret D
1030a*

TELEGRAM TO THE PRESIDENT, HYDE PARK
(Via White House Telegraph Wire)

URGENT AND ~~SECRET~~

Tom Corcoran, Ben. Cohen, Ed Foley and myself have worked up the following program which we are very anxious to discuss with you before Friday night when Tom Corcoran and I are going away for a short vacation. I would appreciate your giving us the necessary time to discuss this idea with you.

1. There should be established within the R. F. C. a separate division, to be known as the Defense Finance Administration, specially equipped to deal quickly and effectively with the financing of our national defense needs. The division should be in charge of an aggressive administrator aided by a few key men with a passion for taking and not evading responsibility, cutting red tape and making quick decisions. The division should be authorized to avail itself of the powers of the Reconstruction Finance Corporation under section 5d of the RFC Act as provided by the Glass-Steagall Act of 1938 and the 1940 National Defense Amendment.
2. The Defense Finance Administration should have a separate section to look after the credit and capital needs of small and medium-sized businesses in order to make it possible for them to take an active part

in the national defense program. The expediting of the national defense program requires the full utilization of the capacity and skill of all business, small as well as large.

3. The Defense Finance Administration would conduct a widespread publicity campaign, making known to small and medium-sized business that funds will be available on liberal terms, including low interest rates and without the rigorous requirements which have heretofore characterized the making of loans to small and medium-sized business by the Reconstruction Finance Corporation and Federal Reserve Banks.
4. The Defense Finance Administration should utilize not only the RFC regional fiscal agencies but also other decentralized government offices as well as ordinary commercial banks, with a view to bringing credit and capital to business men on their home ground and making it unnecessary for them to come to Washington. These local agencies and banks could act as the agents of the RFC, or in the case of local banks, the loans could be made by the banks with the RFC participating therein. Regulations governing the program should lay down standards which will enable the local agencies and banks to approve small loans without reference to Washington.

5. The Reconstruction Finance Corporation would make available to the Defense Finance Administration a billion dollars to be provided by borrowed funds to the extent that the RFC might not have such amount available. This money would be used as a revolving fund by the Defense Finance Administration.
6. Once a month the Defense Finance Administration would make a detailed report of its activities during the preceding month to the Board of Directors of the RFC so that the RFC would always be advised of the activities of the Defense Finance Administration. The degree of control which the Federal Loan Administrator would exercise over the Defense Finance Administration would be substantially the same as the control which he exercises over the Federal Housing Administration, the Federal Home Loan Bank Board, or other organizations under his supervision.

Henry Morgenthau, Jr.

TELEGRAM

file The White House
Washington

The White House
July 24, 1940.

The President: ✓

Urgent and ~~strictly confidential~~

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TELEGRAM

Sheet # 2.

The White House
Washington

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Henry Morgenthau, Jr.

TELEGRAM

The White House
Washington

The White House
July 24 1940

For The President

Departure permits granted to vessels
carrying petroleum products on July 23:

San Clemente Maru, (Jap.) 5285 net tonnage; petroleum products;
amount----; from San Francisco, to Japanese and Chinese ports.

Gulf Wax, (American) 5522 net tonnage; petroleum products
amount----; from Port Arthur, to Port Petrol, California.

Keisyo Maru, (Jap.) 3582 net tonnage; aviation gasoline;
10,000 barrels in drums; from San Pedro, to Tokuyama and
Kure Japan.

Solstad, (Nor.) 3435 net tonnage; lube oil; amount----;
from Houston, to United Kingdom.

Tatibana Maru (Jap.) net tonnage----; diesel oil;
55,000 barrels in bulk; from San Pedro, to Kawasaki, Japan.

Corisco, (Hon.) 552 net tonnage; petroleum products;
amount----; from Port Arthur, to Puerto Cortez, Hond.

Skandinavia, (Nor.) 723 net tonnage; petroleum products;
amount----; from Port Arthur to Montevideo Ur., Rio de
Janeiro and Santos, Brazil.

Henry Morgenthau Jr.

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PSF; Morgenthau

This translation has not been
finally corrected.

PSF: Margenthaler

File
Personal +
Confidential
From H. Morg.
came to file July 25 - 1940

DOCUMENTS

FROM THE

GERMAN WHITE BOOK NO. 6

Sensational Discoveries on the Loire

The Secret Political Documents of the French General Staff are Captured

It is officially announced: Our troops have made a great discovery. In the small town of La Charité on the Loire, a small reconnaissance group captured the secret political documents of the French General Staff in a half destroyed airplane. The documents found here are of such importance that their publication must be regarded as the greatest sensation of this kind. They disclose with an almost unprecedented clarity the cynical aims for spreading the war of England and France.

Everything which was suspected or inferred, on the German side, with regard to these plans and which has been supported by the documents found up until now, becomes astonishingly clarified, in its large outlines, through these documents.

On account of their own weakness and because of the lack of preparation on the part of England and France, the small peoples of Europe were to be led systematically to the shambles. It was desired to subjugate Germany in two ways. First, through cutting off Germany from the Swedish iron mines or through their destruction. Further, through the destruction both of Rumanian oil and of the Soviet Russian oil fields of Baku and Batum. Second, through bringing Scandinavia into the war against Germany, whereby it was desired to gain 10 divisions against

Germany and through bringing in Rumania, Turkey, Greece and Yugoslavia, shereby it was hoped to mobilize 100 divisions against Germany. This was called, cleverly, the strategy of the "Front Dusure" (Attrition Front) against the German army.

For a long time both of these actions were decided things. Only the incompetence and the lack of decision of the enemy leadership and the lightning quick blows of the German army have frustrated these plans.

Rightly did General Gamelin, in a discovered note of May 12, 1940, order the greatest precautions for keeping these documents of the General Staff secret for "if one of these documents should fall into the hands of the enemy" the German High Command will "thereby receive political instruments which it would employ against the Allies."

A truly classic document of unscrupulousness. The General Staff of the French was clear with regard to the catastrophic results which the publication of these documents must have upon English and French policy.

The Foreign Office has undertaken an assemblage of these documents in its White Book No. 6. In consideration of the momentous importance, however, today before the publication of the White Book, there is hereby begun an attempt to put before the public a preliminary series of these documents. A game of intrigue is hereby disclosed, such as the world has hardly heretofore seen. The documents speak for themselves.

Document No. 1

Telegram of General Weygand to General Gamelin,
March 7, 1940.

England prepares for the bombardment of the oil fields of Baku and Batum. - English and French officers explore the necessary air fields, in civilian dress, as persons interested in petroleum.

General Headquarters of the Eastern Mediterranean
Operation Area.

The General No. 295 3/8 March 7, 1940 Strictly Confidential

(Copy)

General Weygand to the Commander of the Military Forces and Chief of the General Staff of Defense.

Air Marshal Mitchell, Commander of the Air Force of the Middle East, who today came to Beyrouth, in the company of General Jauneaud, on the way to Ankara, has informed me that he has received information from London regarding the preparations for the eventual bombardment of Baku and Batum. He explained to me that he intended to ask Marshal Cakmalk for the permission to explore air fields in the area of Diabekir, Erzerum, Kars and the Yan Sea, which can serve as intermediary landing places for airplanes which have their principal base in Djezireh. Air Marshal Mitchell asked me for permission to explore our air fields in Djezireh because the political condition of Irak,

whose independence is recognized, is not such as makes possible the use of the air fields of that sovereign territory without danger of complications. I am honored to inform you that I consented to the request of the Air Marshal. The surveys will shortly be undertaken by British and French officers, both in civilian dress. Thereby the impression will be given that the affair is one of work relating to the exploitation of the oil bearing strata of this area.

Weygand

Document No. 2

Note of General Gamelin of March 10, 1940

Plans of the Allies for the creation of new fronts in the Scandinavians and in the Balkans. -- The Divisions of the Scandinavians and Balkan countries shall fight for the Allies

No. 104/1 - Strictly confidential - March 10, 1940

Note concerning the participation of French and British forces in the operations in Finland.

With the beginning of the hostilities between Finland and Soviet Russia on the 30th of November, 1939, the French and British Governments have expressed their wills to give practical and quick help in Finland through the delivery of airplanes and munitions. The first shipments of the material began on the 20th of December. The French High Command, for its part, without delay has concerned itself to realize the desire of Marshal Mannerheim, insofar as -- apart from the volunteer shipments of materials and the shipments that the Marshal has already received -- French forces can be placed in the operations. For this purpose, Commander Gonoval was sent to the Finnish General. He left France on December 20, 1949 for Helsinki and came back on the 20th of January in 1940.

On January 16, the French High Command worked on a general plan for armed intervention in Finland. This plan particularly

looked forward to the landing of Allied troops in Petsamo. At the same time, the harbors and air fields of the Norwegian west coast were, should the occasion arise, to be taken over as a precautionary measure by the Allies. The plan was, furthermore, that on the basis of the results once achieved, the operations should if possible be extended toward Sweden and that the iron mines of Gallivare, which are valuable sources for iron shipment to Germany, should be occupied. Through this operation, there should at the same time, be a new connection made between Narvik and Lulea. The plan for the operation at Petsamo coincided with the one that Marshal Mannerheim placed before Commander Ganoval.

At the semi-official conversations the British High Command seemed to share our views. At the inter-Allied military conversations of January 31 and February 1, which preceded the meeting of the Supreme Council of February 5, the English pushed the question of direct help for Finland back to a secondary position. They showed themselves to be convinced supporters of an expedition against the northern Swedish iron mines, which, at least in the beginning, would have made the transference of a part of the engaged forces to Finland merely a side show. Thereby, the expedition against Petsamo was abandoned for practical purposes. It had only a secondary and subsequent character. This view achieved a majority in the Supreme Council. The preparation of the Scandinavian expedition was immediately taken in hand, and the French and British forces were ready to be transported from the first days in March.

The first group of French forces (an Alpine Rifle Brigade) was ready to leave its garrison on the 26th of February and could have been embarked anytime from the first of March. For the case of a sudden blow on Petsamo, it would have been possible to send an advanced guard much earlier. The leadership of the operations envisaged in Scandinavia was given over to the British High Command. This could apparently not be decided any other way. The equipment for the expeditionary force on the one hand, and its reinforcements, on the other hand, needed to depend on communications which passed through the zone of the British sea command. The protection of these transports depended, of course, on British sea forces. Furthermore, the French Navy cannot be everywhere at the same time. The Mediterranean, the Atlantic coast of France and Africa remain its natural sphere. Quite apart from the task which devolves upon it for the protection of the convoys from America.

It must also be recalled that the participation of the French military forces in the Norwegian operations can at present be only a limited one. The French army is forced to keep its mass on the northeastern front where it stands against the mass of German forces. The French army is furthermore obligated to keep the watch against Italy on the Alpine front and in North Africa. The French army has furthermore a vanguard in the Near East. It can, therefore, under present circumstances, make available only limited contingents for areas of operation lying outside these spheres.

In the air, France can make only a limited contribution on account of the present condition of the French air force.

The opening of a northern battle field has a primary interest from the standpoint of the conduct of the war. Apart from the moral consequences the blockade becomes more comprehensive and above all, the blocking of the transport of iron ore to Germany, which is of consequence. In this connection, an operation in the Balkans, if it could be combined with the Scandinavian undertaking, would be calculated to increase the economic pressure on Germany. Germany would then have only one way out from the blockade, namely over her frontier with Soviet Russia, and in this connection it must be noted that it will take a long time to exploit the Russian sources of raw materials.

On the military plane, an action in the Balkans (this question remains naturally tied up with the position of Italy), would be much more profitable to France than a similar one in Scandinavia: the battle field would be enlarged on a great scale; Yugoslavia, Rumania, Greece and Turkey would bring us reinforcements of almost 100 divisions.

So far the question of petroleum has not been considered. It is necessary to consider the petroleum resources of Rumania and of Transcaucasia which can be defended or destroyed. Sweden and Norway would give us only a weak support of about 10 divisions. The troops which the Germans would have to withdraw from the western front to counter our undertaking would doubtless be of about the same proportions.

The advantages of opening a Scandinavian battle front remain nonetheless unquestionable. Nevertheless, the technical difficulties which come with such an undertaking must not be overlooked.

In the sphere of sea fighting, operations in the Baltic are practically excluded for us. Our communications go over the North Sea from Scotland to Norway. This line of communication is substantially longer than the German one between Stettin and the south coast of Sweden. Our line of communication must be protected against the German submarines and bombers. It must be recalled that the time of year in which the Gulf of Bothnia is free of ice gives the Germans the greatest advantages for landing in Finland and not only on the south coast, but also on the west coast and on the east coast of Sweden. For the conduct of land warfare, it is to be noted that the Norwegian harbors and especially Narvik have only very limited cover. They are badly equipped for the disembarkation of troops and reinforcements. The railroads which run from Narvik and Drontheim to Lulea can carry only limited traffic. This traffic figure narrows further if one pushes forward to Finland, for then there is only one railroad line available, of which Lulea is the starting point and which runs around the Bothnian coast. This is true under the assumption that the Swedes leave us their railroad material.

The climate of Finland and especially Lapland is extraordinarily severe. Franco-British forces can be stationed

there only if they are chosen very carefully. Until the end of May it is necessary that they have special equipment. French pack and draft animals, aside from mules, cannot become acclimated there.

Furthermore, the supply of provisions and especially of wine, for our troops presents an extraordinarily difficult problem to solve.

From the foregoing, it is apparent that -- taking for granted a rapid if not dangerless landing (possible action of enemy U-boats and bombers) in Norway -- the entry into action of our forces in Finland can follow only very slowly.

In the sphere of air force, it appears that help for Finland is most quickly and easily possible through the dispatch of bombers with long range, assuming -- as also with respect to a landing in Petsamo -- that it has been decided in favor of an opening of military operations against Soviet Russia. Such support seems the only way of helping Finland before the appearance of land forces.

This assistance can, however, be sent only by the English because our air force does not yet have bombers of the newer type in large enough numbers to undertake this work. Before all else, no airplanes which can be withdrawn from their eventual work in France. In the sphere of fighter planes, help for Finland, upon which in this case particular value is placed, is necessarily even more difficult. Fighter planes must be supplied by sea. They must be dismounted in Sweden and assembled again in Finland. It must be noted also that

a landing in Petsamo under present conditions must be judged quite differently than two months ago. The Russians have received notable reenforcements in this region. They have pushed forward in a broad front towards the south from Petsamo. Hangers have been prepared. Possibly a land connection with Murmansk has been established. Finally, the Russians have spotted the coast with defenses and above all, have brought up heavy artillery. On the other hand, the Finns are now entirely out of condition to assist a landing of Allied contingents through a comprehensive land operation as was originally expected. Following up the shipments of material which have been carried on since the month of December, help for Finland can now be developed through a military undertaking involving the sending of Allied troops. Aside from the French and Polish contingents (13,000 men) the English have considered sending from 6 to 7 divisions -- with regard to this I have had thoroughly reliable information which was given me by General Ironside.

The estimate of the troops' strength comes from him; the agreement of the War Cabinet has not yet been received. The total combat force, therefore, makes up at the very least, 150,000 men. The estimate, which includes all the British troops of the new levy -- one active division must be taken away from the troops now in France --, no increase is possible when one considers the difficulties of transport and the cover possibilities of the Norwegian harbors.

The transport of the troops involves in itself already notable delays. It is a matter of several months. Therefore, it is now impossible to make any conclusions with regard to the increase of these troop numbers. In 2 or 3 months, no doubt, the condition on the French front will be clearer, and we will then be in condition to supply the means for a more comprehensive decision.

The technical difficulties of an Allied intervention must not be left out of account. They are not insuperable and will, should the occasion arise, be removed from the way. Hand-written note of the Generals: Our Scandinavian plans must be carried forth with decision. For the saving of Finland or for the very least to take over the Swedish iron ore and the Norwegian harbors. We, nevertheless, express that from the standpoint of the conduct of military operations, the Balkans and the Caucasus, from which it is possible also to deprive Germany of petroleum is much more important. However, Italy holds the key of the Balkans in her hand.

(Signed) M. Gamelin

Document No. 3

Telegram of General Gamelin to General Weygand
of March 12, 1940

The operations planned by the Allies shall be
directed by the British High Command in the middle east and
by the Turkish High Command in the Caucasus.

Carbon Copy - Project - Secret - No. CAB / DN
March 12, 1940.

Berlios to Cesar Franck - Answer to telegram 1 236

The note of March 7th appended to my letter 293 - CAB / DN
informed you of the general judgment which I have placed before
the President of the Council of Ministers with regard to the
operations in the Middle East and particularly with regard to
possible operations in the Caucasus. In my opinion the opera-
tions in the Middle East must be directed by the British High
Command and the operations in the Caucasus by the Turkish
High Command, the latter to be conducted with Turkish forces
assisted by aircraft and later special contingents of the
Allies. You may enter into relations with Marshal Tschakmak
with regard to this question and participate in all preparatory
investigations with regard to the Middle East.

I am sending you by messenger a rounded discussion with re-
gard to the action in the Caucasus.

General Gamelin

Document No. 4

Telegram of the French Ambassador Massigli in Ankara to the Foreign Office in Paris, March 14, 1940.

Conversation of the Ambassador with the Turkish Foreign Minister with regard to the bombing of Baku and Batum. -- The Ambassador expects no difficulties from the Turkish Government --.

(Translation)

Foreign Ministry No. 329 -- Ankara, March 14, 1940.
Dispatched by messenger at 22:13 o'clock. Strictly secret.

In the course of the interview which I had yesterday with him, the Foreign Minister laid before me, at his own initiative, a telegram which came in during the night in which the Turkish representative in Moscow reported with regard to a discussion with the Ambassador of the United States. According to the opinions of the latter, the Russians are so disturbed with regard to the danger of a bombing and burning of the oil area of Baku that the Soviet Russian Administration asked American engineers whether and how a fire resulting from a bombardment could be successfully combated. The engineers are reported to have replied that on account of the manner in which the oil fields have heretofore been exploited, the ground

is so saturated with oil that a fire would undoubtedly spread over the whole neighboring area. It would take months before it would be possible to put it out and a year before operations could be undertaken again. With regard to the safety of the population, the city should be moved for that purpose about 50 kilometers further away.

"What do you think about it?" said Saracglu to me. I answered that modern bombers no doubt had an effective radius of action to reach Baku from Djezireh or from northern Irak. It would be necessary, however, for that to fly over Turkish and Iranian territory.

"You are afraid then of an objection from Iran?" the Minister answered me. -- He could not have made it more clear to me that the difficulties will not come from the Turkish side. It would have been inept had I compelled him to express himself more definitely and therefore I did not go further into his statement. It is, nevertheless, very important and I permit myself to bring it to the attention of Your Excellency. I have also informed my English colleague with regard to this matter.

(Signed) Massigli

Document No. 5.

Note of General Gamelin of March 16, 1940.

The plans for the creation of new fronts become deeper. Germany and Soviet Russia are to be weakened economically through the cutting off of iron ore imports from Sweden and oil imports from Rumania. A strategy of "attrition of the German fighting power" is to be followed.

(Translation) - General Headquarters -

Bureau of the Chief of the General Staff for National Defense and Commander-in-Chief of the Military Forces,
March 16, 1940, - No. 325 CAB /D. N. - Strictly Secret.

Note with regard to the conduct of the war.

(Final draft with consideration to the statements of the Commander-in-Chief and of General Buhrer)

Since the views which were explained in the "War Plan for 1940" - sent to the President of the Council of Ministers by the message No. 290 CAB / D. N. of February 26, 1940 - remain the foundation of our conduct, it becomes necessary in view of the signing of the Russian-Finnish Armistice to determine which operations can be undertaken immediately to lead to important if not decisive blows against Germany.

On land, it appears at present very difficult to achieve results outside of the unpopulated areas. Therefore Germany must be forced to leave its present waiting position. The first thing which is necessary is a sharpening of the blockade. Along with the economic results which must be expected from it, an attempt must be made to realize the following objectives.

First: It can be in Germany's interest to spare Holland and Belgium because these nations make it possible for Germany to considerably circumvent the action of the blockade. It is also possible that a severe establishment of quotas for imports into Holland and Belgium may bring Germany to the position of making a quick end of the matter and attacking the Netherlands and Belgium for these countries can still bring Germany great advantages in an economic way.

Second: With regard to the Scandinavian countries, things are quite different. Belgium and Holland serve Germany principally as intermediary traders whereas Sweden supplies Germany with an indispensable raw material, namely iron. Efforts must be made to prevent such supply. A simple action would be to explain that the supply of certain important products, for instance iron, by neutral countries which border Germany amounts to support for Germany and would lead to reprisals. Sweden then would be able to supply its iron to Germany only under threat of blockade. Similarly Norway would be able to engage in the transit trade only under the same risk. If both countries cooperate, the goal is attained.

Otherwise their oceanic trade should be blockaded. On the face of such a state of affairs, Germany may decide to react and may attack Sweden in a military way. That must find us ready for defense. For this purpose there must stand ready in France and England a first unit of military power ready to send to Scandinavia, whether as a counter blow or as a preventive measure.

Third: The cutting off of German imports of Russian oil. -- The cutting off of deliveries of Rumanian petroleum to Germany can at present be attained neither through the blockade nor through military operations. With regard to the Caucasus, the first question which arises is the opening of hostilities against the U. S. S. R. Further there is the problem of the cooperation of at least the agreement of Turkey. As in everything that happens in the East, the attitude of Italy can not be disregarded. Also the bombing of the oil supplies of Baku and Batum from the air can materially injure Germany's supply of gasoline. According to the inquiries made 9 air squadrons will be necessary for this task. The Command of the French Air Force is prepared to make available 5 squadrons and the rest must come from the Royal Air Force. These groups, which have their base in Djezireh, where the landing fields for this purpose either are ready or are being undertaken (in the northern part of the French Middle East) must also if possible have support points in Asiatic Turkey where fields are now subject of exploration.

The command of the French Air Force can already undertake a bombing operation in Transcaucasia after receiving notice of 14 days to a month and can undertake this operation with two squadrons of heavy bombers which can be supported with two squadrons of medium heavy bombers. These bombers should be withdrawn from the mother country if the condition of the French front permits. The operations in the air can be practically supported in the following way:

First, action of the fleets directed towards breaking communications in the Black Sea. French and British submarines should be entrusted this task. Their passage through the Straits will require the express or tacit approval of Turkey and they will need a base in the harbors of the Black Sea in Asia Minor.

Second, through action on land which can be carried out only by Turkey, which however can be supported through certain units of our middle eastern troupes. Iran can also take part in these operations at the instance of Great Britain.

Fourth, with all consideration of the objections which were made to this policy in the course of the last meeting of the war council, there is an advantage in mining the rivers and undertaking this task with the medium of the air force as soon as possible. In this manner it will be possible to partially damage the interior transportation of Germany. It is necessary that the operations free the air force as soon

as possible from the burden with which it is at present loaded. Altogether, the Russo-Finnish Armistice should make no difference in the basic objectives which we set for 1940. It must cause us however to act more quickly and more energetically. Through a completion of blockade measures and certain military operations we can not only draw the economic laces more tightly but also make it necessary for Germany to step out of her present passive military position.

The experiences of six months of war show that the neutrals fear Germany. Without confronting them as threateningly from our side, we must also let them know our power. Of course diplomatic and military conduct must be determined by the same energetic tone.

Document No. 6.

Telegram of the French Ambassador Massigli in Ankara to the Foreign Ministry in Paris, March 28, 1940.

In the action against Baku and Batum, the outward compromising of Turkey shall be avoided through skillful management.

Foreign Affairs, Plain Text, Reserve No. 881.

Telegram received in Ankara 28 March 1940.

Ankara March 28. Received by messenger April 3 at 11:30 O'clock.

Strictly Secret.

I refer to the telegram to your Excellency No. 540-541. In my efforts in my earlier correspondence to explain the position of Turkey with regard to the Soviet Union (compare especially my dispatches No. 74 of February 24 and my telegrams 433 - 439 and 461) I emphasized that, in my opinion, it is useless to attempt to heat up Turkey against the Soviets, that on the other hand however it is possible to hope that we will be successful under certain circumstances in bringing Turkey to take a position against Russia in our wake. I see today no necessity of changing anything in the opinion which I expressed before the breakup of Finnish resistance. The Mowcow peace will of course further increase Turkey's caution. However, people

are convinced here that the red army came out of this war in the north very much weakened -- which tends to cancel out. None the less, I saw no efforts to come closer to the Soviet Union. On the contrary, people are getting used to the idea of having to count on her enmity, which does not mean however, that the Turkish statesmen are prepared to get themselves into an adventure with an uncertain outcome. We must in fact take account of the circumstances that if the government in Ankara from now on has the conviction that Germany will not conquer the western powers, still many people in Turkey are not convinced that we will eventually win a clean cut victory. Many still believe that the Reich will receive from the tired out Allies the peace which it needs. Many believe -- and the Italian and the German propagandists exert themselves to convince them of this -- that, in spite of the strengthened determination of the governments in Paris and London, the war will end through a compromising peace. Then people must naturally consider here what the future may bring in the case that a peace which will leave the peoples of France and England dissatisfied and dissolutioned, Turkey should have to stand against a Russia which had taken advantage of the lessons of the Finnish war to strengthen its military power. The government can not entirely ignore this state of the opinion.

Thence also are the sources of a large part of its present caution. Should we tomorrow clearly succeed on the western front even in a limited action, or should a German offensive in the grand manner break against our defense on the land or in the air, we would find the Turks more energetic and more ready for new undertakings. It must however unfortunately be added that the condition of our public life, quite independent of any military outlook, causes certain unrest here. The last sessions of Parliament left a bad impression. People were certainly impressed by the determination of your Excellency and your government to improve the state of affairs and not to allow French morale to sink, but there are people who are not uninfluenced by German and Italian agents and broadcasts and are not yet sure whether they will not be disappointed in their hopes, which are identical with ours. One must have the courage to say that the Turks at the present do not have the feeling of our irresistible superiority, no matter how great their sympathy for us may be. The majority believe that their fate is bound up with the fate of the western powers; the government is certainly firmly determined to maintain its obligations to us; but in the public mind there is no such opinion which would strengthen them to undertake initiatives which involve risks.

Before I comply with the requests of your Excellency, of which the general lines were shown me through telegrams 540-541, it seemed necessary to me to bring these important considerations to mind. They explain beforehand certain reservations which I must express or certain of the precautions which I had to emphasize. An air action against Baku and a sea action on the Black Sea have very different aspects from the Turkish point of view, both technically and politically.

First, an air attack on Baku from Djezireh necessitates flying over Turkish territory for over 200 kilometers, and furthermore it is necessary to fly over the mountain range between the Van Sea and the Ourmiah Sea, that is in Kurdistan, which is very little populated as a result of very severe police operations that were carried out there two or three years ago. No important population centers will be flown across, and the airplanes may very well pass unmarked. Should they be seen, then at most they will be noticed by a few posts of police or gendarmes. Furthermore, through a turning toward the west and a cross flight through the northern part of Iran, it is possible entirely to avoid flying over Turkish territory (and, especially if the point of departure should lie not in Djezireh but in Irak). When I confront this factual situation with the remarks of Saracoglu which are contained in my telegram No. 529, I

come to the conclusion that a prior information of the Turkish government and a request for permission to fly over its territory would bring them unnecessary embarrassment. It is necessary to place them if not before the completed fact then before a situation which will arise immediately and to delay the time for informing them about what is going on (I mean thereby informing them officially, for the confidential relations which we have with her as with the High Command would forbid that they be left entirely in the dark). The operation must actually be in course/^{so}that we can excuse ourselves when planes in the course of their flight have to cross through Turkish air. Far from insulting the Turkish regime, our reserve will actually lighten their work. Should the Soviet government make a protest, then it is desirable that Ankara be in a position to explain that it had nothing to do with these facts. When flying over her territory had actually taken place, then it would not be bad were we to receive a discrete protest. Should the circumstances become worse, and should the Soviet Union react through military measures, then it would be necessary that the Turkish regime be in a position to explain to the General Assembly that the initiative for the attack was the responsibility of Moscow. In this case the agreement of public opinion of the country with the Turkish government would be made certain. But precisely because a reaction from the Soviet Union is to be

expected, we must be circumspect not to undertake any such action without taking into account its possible effects on Turkey, and on account of this we must also become clear with regards to the situation which this country must confront.

It is not my affair to express myself over this question. I must nevertheless note that on the eastern tableland there is still winter and that the necessary landing fields can not yet be explored and prepared. Furthermore, I must note that according to my knowledge protection against air attacks on the coal fields at Zongouldak and the steel works in Karabuk are not yet ready because certain English materials have not yet been delivered. In my opinion it would show a great lack of foresight to expose two such important points of the Turkish economy to air attack from Sebastopol. I should be very much surprised if the military experts did not need a delay for several weeks to make all the necessary preparations.

Second. The question of the Black Sea, and of the facilitation which shipping in its waters receives as a result of the close cooperation of the Soviets for the supplying of Germany, has engaged my attention.

I permitted myself on the morning after the conclusion of the Anglo-French-Turkish treaty (telegram 1969 of October 23, 1939) to allude to it. It must unfortunately be recognized that a solution of the problem is not easy to find. According

to the stipulations of the Straits Convention, the allied powers as belligerents are justified in sending warships into the Black Sea only in fulfillment of a decision of the League of Nations, or in application of a mutual assistance pact concluded in the sphere of the League registered in Geneva and binding Turkey, or when Turkey itself is a belligerent, or when Turkey feels herself threatened by danger of war and asks assistance from the allied powers. At present none of these conditions is fulfilled. Our entry into the Black Sea can therefore follow only -- as your Excellency will note, on the basis of a benevolent decision of Turkey, which -- and we must be clear about this -- will contradict its obligations assumed at Montreux and may therefore bring a protest from a power which signed the convention like the Soviet Union, or Italy who agreed to the convention like the Soviet Union, or Italy who agreed to the convention. The last mentioned powers may in this case very well play the German game. Into the bargain, even if no military steps are taken against Soviet territory, war ships, or merchant ships, the Soviet Union might take the opening of the Straits by allied cruisers as an unfriendly manifestation and herself undertake counter measures. The possibility of the outbreak of hostilities as a result of our initiative is therefore in no way excluded, and this circumstance will obligate us as in the

previously considered case to concern ourselves with the consequences which the planned initiative might have from the standpoint of Turkish defense.

Therefore it will be necessary to have the same precautions and delays which the operation against Baku seems to bring with it. What furthermore is the outlook for control action in the Black Sea? The number of German merchant ships which have taken refuge in Bulgarian harbors is evidently limited (apparently 8). The direct action of an allied raid against shipping under the German flag would therefore be of very short duration. It will therefore be principally a matter of controlling Russian, Bulgarian or Italian ships, and to make control examinations so as to hold up Russian and Italian tankers and to establish a control over the ships which ply between Caucasian harbors and the mouths of the Danube or the Bulgarian Coast. All of these are operations which cannot be conducted particularly successfully on the high sea. The siezed ships must be brought to a base to be examined there and to disembark the confiscated goods. Where can this base be if not in a Turkish harbor? Discrete assistance will not be successful. This means therefore that Turkey will be directly bound up with the action of the Allies and that Germany will be able rightly to regard her as a belligerent power.

after a period to be established by the experts, operations

The Turkish Government is in my opinion not ready at this time, as a result of the reasons explained above, to go so far as this. Is it possible to foresee operations of another kind? If it is almost impossible to conduct control operations systematically on the Black Sea without question participation of Turkey, then it is also not possible to expect -- unless one expects more from this power than to close its eyes -- that submarines would go by night through the Straits to carry on quick combat journeys in the Black Sea which would have the objective of disturbing sea traffic and German shipping, and to sink ships which from their cargo are clearly destined for Germany.

I only touch on the question. If the operation were technically possible, then it would from a political point of view encounter fewer obstacles than an intervention of allied cruisers because Turkey could then say that she was kept uninformed with regard to our plans. However, we must be quite clear about the matter that even such a limited operation would ~~take~~ place the Turkish regime in a delicate position and we cannot undertake such operations without taking into account their consequences upon this country. Therefore we must return to the facts about the condition of Turkish armaments which we have set forth above.

I come to the conclusion that under present conditions, and after a period to be established by the experts, operations

without taking into account their consequences upon this country. Therefore we must return to the facts about the condition of Turkish armaments which we have set forth above.

I come to the conclusion that under present conditions, and after a period to be established by the experts, operations against Baku are the easiest to organize and especially to the extent that we take into account Turkish conditions. Furthermore, its success will have such consequences and will so weaken Russian action that the Turkish regime, as a result of the successful consequence of the operation, will feel itself enheartened by our success and will give us the necessary assistance more willingly so that operations of shipping control on the Black sea can take place under more favorable circumstances.

(Signed) Massigli

Document No. 7

Note of the French Prime Minister Daladier of January 19, 1940. General Gamelin is to prepare a memorandum on the destruction of the Russian oil fields.

Copy of the handwritten note of Prime Minister Daladier of January 19, 1940. General Gamelin and Admiral Darlan are asked to work out a memorandum with regard to an eventual intervention for the destruction of the Russian oil fields.

Case No. 1: Breaking off of the oil tankers bound for Germany in the Black Sea. It is a matter principally of German shipping. In this case Russia would not be brought into the war.

Case No. 2: Direct intervention in the Caucasus.

Case No. 3: Without direct action against Russia, measures taken to assist the self-determination efforts of the Mohammedan population groups in the Caucasus.

The Franco-British air attack on the Caucasus petroleum is aimed exclusively at the refineries and harbor storage tanks of Batoum - Poti - Trazay - Baku.

It can be estimated that within the first six days, 30 to 35 of the 120 refineries and harbor storage tanks of the Caucasus will be destroyed. The airplane material to be applied includes 30 to 100 airplanes which will be composed of 6 French flying groups and 3 British squadrons. The French groups will be so equipped that they will be able to attack Baku and the

Document No. 8

Note on a conversation between the French and English Air General Staffs of the 5th of April, 1940.

Franco-British plan of operation for an air attack on Batum and Baku. A third of the refineries and of the harbor storage tanks to be destroyed in six days.

Very secret!

Air attack on the oil fields of the Caucasus. Agreement reached in the chief headquarters of the Air Force, 5th of April, 1940.

The Franco-British air attack on the Caucasus petroleum is aimed exclusively at the refineries and harbor storage tanks of Batum - Ptoi - Grozny - Baku.

It can be estimated that within the first six days, 30 to 35 of the 100 refineries and harbor storage tanks of the Caucasus will be destroyed. The airplane material to be applied includes 90 to 100 airplanes which will be composed of 6 French flying groups and 3 British squadrons. The French groups will be so equipped that they will be able to attack Baku on the

fore-appointed date. They are composed of two Farman 221 groups and 4 Glen Martin groups, provided with reserve tanks. On each flight against the enemy, they can drop a total of 70 tons of bombs on about 100 known refineries. Enemy counter-action and the probable presence of German pursuit planes will diminish the effectiveness of this operation to a considerable extent.

Document No. 9.

Report of General Weygand to the High Command of the French Air Force of the 17th of April, 1940.

Air action against the Russian oil fields in the Caucasus is prepared for the end of July, 1940. The High Command of the Eastern Mediterranean, 17th of April 1940.

Secret!

General Weygand to Commander-in-Chief Gamelin, Commander-in-Chief of the Land Force, and to Commander-in-Chief of the Air Force Vuillemin.

The preparations for the bombardment of the Caucasus oil fields are so far advanced that the time in which this operation can be carried through can be estimated.

Rigid adherence to a time-schedule is not offered here. The undertaking does not need for this purpose the making of an agreement with the conclusion of which has moreover been shown to be impossible. The French Ambassador to Turkey has accurately informed the Government on this question. At present, there can be no talk of assent for flight over Turkish territory, still less of a preparation of air bases which could serve as a spring-board. Further, other help is not to be expected.

The transport of material for joint requirement goes by the Aleppo-Nissibine railroad. An advance demarche for the use of

this track insofar as it concerns Turkish territory is not required, as our previous agreements give us every freedom in this connection. In the estimate of the period of time, the following are to be considered:

(a) The preparation of air bases. At this time of the year only light work is required, its duration is estimated at 14 days.

(b) Work on the railroad and on the filling up of the depots (sidings, rails, telegraph lines). Duration: 14 to 20 days.

(c) Transport of rolling stock, munitions, troops, and wagon parks for the French combatant forces requires 56 trains. This means a period of 14 days on the assumption of 4 trains a day. The same time is required for the English soldiers.

Consequently 30 days are needed altogether. It must be noted that (a) and (b) can be simultaneously carried out so that at least 45 to 50 days are necessary. It is assumed that the railroad material and that the British and French reinforcements can be placed on the march immediately. In addition to this period of time, the time required for the assemblage and arrival of the bombers must also be considered. With respect to the French squadrons, it is to be noted that at present none are ready for setting out. According to all the probabilities, the groups of Farman-night bombers which have been in long service can arrive here quickly. On the other hand,

the group of bombers which belongs to the Middle Eastern air force now at last has the first airplanes of the Glen-Martin type. According to the statements of the Air High Command itself, 2-1/2 to 3 months are essential in order to train the pilots to put them in a position to take part in a military operation so that the available material is used to the highest degree. Probably the remaining groups of the Glen-Martin type which are expected from France and from North Africa are in approximately a corresponding state. The Vice-Air Marshal and Commander of the British Air Force in the Middle East was very confused when he was asked about the answer as he himself had not yet received the airplanes.

It must be noted that this estimate does not include the technical preparations for bombing attacks. This preparation includes the obtaining of air photographs, the selection of objectives, as well as of the most appropriate bombing materials, and finally the preparation of the airplanes for each particular attack.

Caution requires that the carrying out of the operation be considered only for the end of June or for the beginning of July, particularly when the absolute necessity of carrying through the undertaking when everything is ready is realized.

Only thus can decisive results be attained with the greatest possible mobilizations of power and the greatest speed. The operation itself need only last a few days and must consist in

mass bombardments of those points, the destruction of which through explosive or incendiary bombs is regarded as particularly effective.

Moreover the period of time indicated is also necessary for Turkey, as M. Massigli has already brought out, as Turkey in the course of this period of time must put itself in a position which allows it to defy every enemy counter move which will possibly be unloosed as the result of the bombardment.

The Commander-in-Chief of the East Mediterranean Operations.

(Signed) Weygand.

Stamp of the Commander-in-Chief.

Document No. 10

Telegram from General Gamelin to British Air
Marshal Newall of 15.5.1940.

Immediate dispatch of ten British pursuit squadrons
asked for. F. C. 15 of May 1940. No. 528 CAB / D. N.

From Commander General Gamelin to Air Marshal Newall.
(Note in pencil: for General Lelong)

Consequent on the efforts of the French Government
I make it clear that the number of pursuit squadrons immediate
dispatch of which to Champagne is required amounts to ten.
Here it is to be noted that in the case of Italy's entry into
the war, France will be compelled to remove a part of its
pursuit squadrons to south-east France and to Tunis. We will
supply the requisite ground personnel. The details can be
arranged through immediate agreement between General Vuillemin
and Marshal Barratt.

General Gamelin

Document No. 11

Telegram from General Gamelin to Winston Churchill
of 15.5.1940

The British Air Force must be put into military
action.

Secret - P. C. the 16 May 1940 - NC. 529 CAB / D.N.

Commander-in-Chief General Gamelin to General Lelong for
Mr. Winston Churchill.

I permit myself again to approach you in order to ask for
the immediate dispatch of ten pursuit squadrons. The situation
is very serious, naturally these ten pursuit squadrons will be
stationed on the lower Seine where they have protection and
whence they can be easily withdrawn again.

General Gamelin

(Deciphered and dispatched on the 16 May 1940 at 10:30)

Document No. 12

Telegram from General Gamelin to Winston Churchill - 16/5/40
Renewed request for immediate dispatch of ten British
pursuit squadrons.

P. C. 16 May 1940, No. 531 CAB/D.N.

Commander-in-Chief General Gamelin to General Lelong
for Mr. Winston Churchill.

I permit myself again to refer to the facts that -- the
essential test of the British as of the French air forces
now consists in operating on enemy troops with particular
reference to those points which they must necessarily cross.

General Gamelin

(Deciphered and dispatched on the 16th of May, 1940, at
2:20 P.M.)

Document No. 13

Telegram from General Gamelin to Mr. Winston Churchill.
17 May 1940. No. 533 CAB/D.N.

Commander-in-Chief Gamelin to General Lelong for
Mr. Winston Churchill on his arrival in London.

Our Giraud army will be placed south of Maubeuge before noon today. The fight is very hard. The consequences can be grave, not only for France but also for England. The course of battle threatens the communication lines of the British army. I again ask for the entry of the British Air Force in every way as a contribution to the battle. In particular, the placing of magnetic mines in the Maas would be very effective in order to disturb the strengthening and reinforcement of the enemy.

General Gamelin

(Deciphered and dispatched on the 17th of May at 9:25 A.M.)

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Document No. 14

Protocol on the Session of the Allied High War Council of 22/5/40.

In the headquarters of General Weygand, who was appointed in the interim as Commander-in-Chief, with the participation of Winston Churchill and Premier Reynaud. Complete perplexity in the middle of the Battle of Flanders. Disorganization of the leadership, desperate plans in order to break through the pincers. Churchill agrees to put the air force into military action.

Presidium of the Council of Ministers. Copy. Very confidential.

Franco-British session of the 22nd of May 1940. Winston Churchill arrived at the chief headquarters about 12 o'clock. He was accompanied by the British Ambassador, General Sir John Dill, Vice-Marshal of the Air Force Pirs and General Ismay. Paul Reynaud was accompanied by Captain de Margerie. General Weygand received both Prime Ministers in the Map Room of his General Staff.

Colonel Simon explained: Two French divisions under the command of General Fagalde were at the extreme north on the Schelde. The Belgian troops were following them roughly up to Audewarde. The British Expeditionary Corps was further to the South with four divisions, to which three divisions were

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Document No. 14 (Cont.)

arriving in the neighborhood of Arras. Two British reserve divisions were around Lille. Linked with them was the first French army on whose flank the Cavalry Corps was stationed. General Billott, the Commander-in-Chief of the Franco-British-Belgian Army of the North, was in the hospital as a result of a serious motor accident. He had to give the command to General Blanchard, who in turn has been replaced by General Prioux. The latter had fought with distinction at the head of the Cavalry Corps.

Winston Churchill explained that a German armored division which broke through on the previous morning from Abbeville has passed Etaples in the direction of Boulogne. A wounded English officer who saw these German combatant forces travel by had estimated them as from 4,000 to 5,000 men. Approximately half of this unit which attacked from the North had since 4:30 P.M. been attacked by British air forces taking off from Great Britain and had been halted at Etaples.

Two battalions of guards, both of them from the remaining units of the active British Army in England, had landed in Boulogne with 48 tanks (?) Their task was to defend this town against eventual German attacks. Measures had also been undertaken for the defense of Calais and Dunkirk. It could therefore be assumed that these three harbors were secured against a surprise attack such as happened in Abbeville.

Document No. 14 (Cont.)

General Weygand confirmed the Prime Minister's statements. He added that there were three French infantry battalions in Calais and that the Commander of Dunkirk was a particularly capable Admiral who had the requisite forces for a successful defense of the town.

At this point, Colonel Simon continued with the general exposition of the situation. The Somme had clearly not been crossed on the other side of Ram (Translator's note, Rheims would appear to be indicated); the Germans occupied several bridgeheads, one of them in Peronne and another south of Amiens. A French Army under the command of General Frere occupies the space between the Oise and the Somme and was concentrating progressively in a westerly direction. It included eight divisions, of which four were complete while the remaining four were still being forwarded. This army received the order to carry through an attack to the North in order to liberate the Somme Valley. Further to the east were the armies of Touchon and Huntziger.

As far as the German armies were concerned, they had drawn up armored divisions in the front line at the critical points. Behind these units followed motorized divisions, behind these again the normal divisions which had been brought up by horse. It appeared as though the idea was to organize a number of infantry divisions around St. Quentin for defense.

Document No. 14 (Cont.)

In reply to a question from Winston Churchill, General Weygand explained that already great masses of enemy infantry were in contact with the Huntziger Army. He added that the first German attack had been and was taking place before their eyes and that it was proceeding according to a hitherto unknown formula with new weapons of war. The General was of the opinion that an offensive of the classical style with strong artillery support would follow this attack.

After the solution of the first question, they would have to deal with a second problem, the solution of which would not be less difficult especially as a violent enemy advance against the south, i.e., against the armies stationed in the Maginot Line, was to be expected.

General Weygand finally reported in broad outline on the results of his trip to the Front. The Commander-in-Chief explained that it was impossible to expect the Anglo-French-Belgian main groups, which were still in the north and included more than 40 divisions, simply to break through to the south and to make connections with the main French army. Such a maneuver was fore-doomed to failure and the troops taking part had to reckon with certain loss. The situation demanded, on the contrary, that the available French and British forces under the cover of the Belgian Army, which undertook to cover

Document No. 14 (Cont.)

them from the east and, should the occasion present itself, from the north, carry forward an attack in the Cambrai Arras area and in the general direction of St. Quentin, to the south, and in this way fall on the flank of the German armored divisions, which were actually to be found in the St. Quentin sack.

At the same time, the French Army of General Frere, south of the Somme in the Beauvais area, was to ~~push~~ push forward to the north and thus strengthen the pressure on the enemy armored troops in the Amiens, Abbeville, and Arras area. The essential task consisted in subjecting these troops to permanent pressure, never allowing them the initiative, but always keeping them in motion, inflicting losses on them and endangering their rear positions. Only in this way could the withdrawal of the part of the army stationed in Belgium be carried through with success.

Unfortunately General Weygand could not discuss this question with General Gort on the previous day as the latter was out of the country. However, General Weygand had a long discussion with the King of Belgium and his General Staff.

There were two opinions on the task of the Belgian Army according to the Commander-in-Chief. The King had not yet decided for either of these opinions.

Document No. 14 (Cont.)

The first opinion, which General Weygand supported, consisted in commissioning the Belgian Army to withdraw from the Schelde to the Yser and thereby take over covering the Franco-British forces which were advancing on St. Quentin. Actually the Belgian Army was in a dangerous position between the mouth of the Schelde, Gent and Audenwarde. The support which it lent the remaining parts of the Army of the Western Front could likewise be well carried out from the Yser onwards by means of flooding. General Weygand moreover arranged the immediate release of the waters.

The other opinion was represented by General van Overstraaten, King Leopold's adjutant. According to this opinion, the Belgian Army had to remain in its previous position and to separate itself, if necessary, from the other Allied forces. Its problem was to defend the coast in a broad semicircle. Reinforcements could in this case be assured from Ostend and Dunkirk. In support of this plan, General van Overstraaten referred to the fatigue of the Belgian troops. They had traveled from Maastricht in an unbroken march. The Belgian General also referred to their morale which had naturally suffered in this long retreat. Since the arrival of the Belgian Army on the Schelde, the troops after a 24-hour rest had regained their calm, as they demonstrated on the 21st of May by brilliantly repelling two German efforts to ~~XXXXXX~~ obtain passage over the Schelde. To demand of these troops to retreat again and to abandon their country almost in its entirety meant in the

Document No. 14 (Cont.)

opinion of General van Overstraaten to face these troops with the danger a new wave of demoralization.

General Weygand opposed this opinion with great determination. He presented for consideration the facts that the Allied forces represented a single entity, that the French and British had come to the aid of the Belgians and that now the Belgians must continue the struggle further on the British and French side. He added that reinforcements for the Belgian army under the circumstances foreseen by General van Overstraaten could not possibly be carried through and that in this case the Belgian forces would be compelled to capitulate very soon.

The King did not participate in the discussion. Only on his return to chief headquarters an hour earlier did General Weygand learn that the Belgian High Command had arrived at its decision and that its decision was to move in the direction of the Yser in two stages, of which the first provided for a retreat to Lys. The General continued that under these circumstances the Belgian army would play the role of a covering army which he had intended, while the Franco-British forces would be deployed toward the south as a result of which they would be strengthened to their right by the French cavalry corps, and by the Belgian cavalry corps, the latter being partly motorized. The King had provided to put these at the disposal of the French High Command.

During General Weygand's talk Mr. Winston Churchill and General Sir John Dill repeatedly demonstrated their agreement and indicated by questions and interruptions that their own opinion of the battle coincided most precisely with that of the Generalissimo especially where the role allotted to the Belgian army was concerned. The British Prime Minister repeated several times that the restoration of the northern and southern armies' communications around Arras was essential. That the British battle forces under General Gort had now subsistence for four days, that the total reinforcements and all the war material of the British expeditionary corps was concentrated from Calais along the coast in the direction of St. Nazaire. That the chief thought of General Gort was to keep open this line of communication so vital for him. Hence since the day before yesterday he had started moving while he had removed a number of units on his right flank behind his lines in order to be able to advance in the direction of Arras and Bapaume. The question was here of a battle decisive for the future of the war, for the provisioning of the English battle forces by means of the canal harbors was very seriously endangered so that in these circumstances the area around Cambrai and St. Quentin acquired decisive significance.

In the course of a private conversation Mr. Winston Churchill informed the French Prime Minister and General Weygand a little later that the relations of General Billott to the Commander-in-Chief of the British expeditionary Corp were not very satisfactory. In particular General Gort had

Document No. 14 (Cont.)

remained without directions for four days.

At this point General Weygand announced that General Billott was suffering from a severe automobile accident and that he would be replaced by General Blanchard.

General Weygand confirmed the full approval with which the British Government and the British General Staff had met his plans and then firmly, clearly and politely advanced two requests, which in his opinion were decisive.

First, it was of crucial importance for the result of the battle which was starting that the Britishair force and indeed pursuit planes as well as bombers, be freely put in the field of battle. It had performed very great services for the French Army in the previous days and had thus already exercised a very favorable influence on the spirit of the infantry, while at the same time it had perceptibly disturbed many German marching columns on their way to the front. Besides, it had carried through extensive actions in certain parts of Germany, particularly in the rural area and in Hamburg, Bremen and other places where it had obtained good results in the bombardment of enemy storage tanks and refineries. However, in considering the importance of

Document No. 14 (Cont.)

of our cooperation, the General held it necessary at the moment that the English Air Force make long distance flights only for a few days for the time being so as to operate permanently and immediately on the front itself or in its immediate environment. He thus demanded that the British air force receive the command that it multiply its efforts in the area of operations arranged upon.

Vice Air Marshall Pips hereupon gave his opinion on the subject. He offered for consideration the fact that a part of the British bomber squadrons, viz the Wellingtons, could hardly be obtained for a few days as the airplanes appeared as exposed objectives. It appeared of most importance to him that on the other hand the Meuse bridges or the railway junctions be bombed at some distance from the actual line of operations as they were of significance on the German side for reinforcements during the battle.

Document No. 14 (Cont.)

After an exchange of thoughts between him and General Weygand, in which Mr. ~~Stix~~ Winston Churchill also took part, the conclusion was arrived at that the wishes of the Generalissimo be answered and that the British air force of the motherland be sent entirely into the battle. The bombers which could not always make out clear objectives in the ~~battle~~ line of ~~the~~ battle as was the case in the previous days were to attempt to disturb the lines of communication between the front and the MEUSE. While the pursuit planes (coming from England as they did) could hardly keep themselves in the line of battle for more than 20 minutes, and were to take off in consecutive waves. Second, General Weygand then referred emphatically to the danger for national defense now resulting from the stream of refugees from the Netherlands, Belgium and northern France; the masses of people moving forward on the streets hindered the freedom of movement of the troops, permitted German elements to mingle among them and thereby exercised an unfavorable effect on the spirit of the troops. It was unconditionally necessary that halt be called to this flight, that nobody should pass over into French territory any longer, so that the columns of refugees now in flight be kept at a distance from the great high roads during certain periods of the day. They should encamp in the fields and should only continue further under certain limitations. General Weygand expressed ~~himself~~ himself

Documents 14 (Cont.)

very firmly on this point to the King of Belgium and hoped that the Allied Governments would take the same position. Mr. Winston Churchill and M. Paul Reynaud expressed their full approval of the point of view reported by the General. The Generalissimo then briefly announced that he had been able to converse during the evening and night with 3 General Staff officers of the Giraud Army who had been able to give him extraordinarily valuable details of the methods applied by the German Army in battle and that at his request they had produced a short note which would be read.

From this Mr. Winston Churchill concluded that with the application of appropriate methods and with the necessary cold-bloodedness the attacks of the German armored forces could be warded off even when they were supported by bombers, and that it was above all a matter of remaining to the last in the positions the forces occupied.

General Weygand added that they also had to be active and that were they attacked they had to upset the enemy.

The session was concluded at 1:15 p.m.

General Weygand called on the Prime Minister at 5 p.m. and showed him by means of a map he had brought with him the approximate circumstances under which the arranged offensive would develop.

Document 14 (Cont.)

At this opportunity M. Paul Reynaud informed him of the rumors which circulated in political circles about it and asked him to give renewed instructions so that secrecy concerning the operations be maintained.

The Commander-in-Chief stated that the facts of which he had informed Mr. Winston Churchill and M. Paul Reynaud in the course of the morning were supplemented by a very favorable development. In support of the arranged operations in the north tomorrow, the army of General Frere would give larger and more important units than would be expected a few hours earlier.

Very confidential ! Conclusions of the conference of the 22nd of March (Translator's note: May is obviously meant) 1940 held at General Weygand's headquarters between Premier Paul Reynaud, General Weygand, the British Prime Minister Winston Churchill, General Gill (Translator's note: Previously referred to as Dill) and Air Marshall Pierce (Translator's note: Previously referred to as Pirs).

The following was agreed upon:

(1) The Belgian Army is to withdraw to the Yser line and to hold this line. The locks are to be opened.

Document No1 14 (Cont.)

(2) The British and French Armies to attack to the southwest in the direction of Bapaume and Cambrai as early as possible -- definitely tomorrow with approximately 8 divisions.

(3) With respect to the vital significance of this battle for both armies and the fact that the British lines of communication depend on the freeing of Amiens, the British air force, was to give every possible help day and night for the duration of the battle.

(4) The new French army group, which advances to ward~~a~~ Amiens and which forms a front along the Somme, to advance to the north so as to establish communications with the British divisions attacking to the south in the direction of Bapaume.

Document No. 15

Telegram from Winston Churchill to Premier Reynaud for General Weygand on the 24th of May 1940.

Stronger complaints on inadequate leadership and communication. The Ministry of Defense and of War--Bureau of the Minister.

French Republic. Very secret! Paris 24th of May 1940. Copy of a telegram from Churchill to Reynaud for General Weygand. (Deciphered on the 24th of May, 1940, 5:00 A.M.)

General Gort telegraphed that the coordination of the armies of the three nations on the Northern front was essential. He could not ask this coordination as he was already fighting in the north and south and his communication roads were threatened. At the same time, I hear from Sir Roger Keyes that the Belgian headquarters and the King had not yet at 3:00 P.M. this afternoon today, the 23rd of May, received directions. How do you explain that Blanchard and Gort were together? I do not at all underestimate the difficulties in the way of the maintenance of connections but I do not feel that the operations in the northern area against which the enemy is concentrating are being efficiently harmonized. I rely on your ability to produce relief for them. Gort says further that any advance on his part can only take the form of an attempt to break through and that he must receive relief from the south, as he does not have the munitions required for a serious attack. Nevertheless, we told him to stick to the

carrying through of your plan. We have not yet received your own plan of action and are not acquainted with the details of your operations in the north. Please send them as soon as possible through the French Embassy.

Best wishes.

Document No. 16

Telegram from Paul Reynaud to Winston Churchill 24.4.40

Strong complaints on the evacuation of Arras and Le Havre by British troops. Request that General Weygand's orders be obeyed.

Translation -- Carbon Copy -- Very Secret -- 24 May 1940.

Telegram from Paul Reynaud to Winston Churchill.

1. General Weygand explained to you the day before yesterday in my presence at Vincennes a plan to which you and the officers accompanying you agreed completely and fully.
2. You summarized this plan in writing. General Weygand thereupon informed you that he agreed to this summary.
3. General Weygand knows of the difficulties of the situation, but he is of the opinion that there is no other solution but the carrying through of this plan, even at the risk that it must be adapted to the difficulties of the moment while for example the march to the southeast can be broken off and the right wing at the lower end of Amiens and bound for the Somme. He therefore repeated the command for the execution of this plan this morning. The surrounded armies must thus undertake the desperate enterprise of uniting with the French troops marching from the south to the north while they break through from the Somme and particularly from Amiens.

4. It is urgently necessary to provision Gort's army from Dunkirk which is covered by the two Fagalde divisions.
5. It is very desirable that you dispatch troops to the harbors, as you did for Calais yesterday.
6. General Weygand has established to his surprise that in contradiction to his plan the town of Arras was evacuated by English troops yesterday.
7. General Weygand's communications with the Belgian army are assured. He learned yesterday evening that the Belgians repulsed small raids and that their morale is excellent.
8. The impossibility of establishing direct connection with Blanchard the Commander-in-Chief of the three armies, i.e., the Belgian army, Gort's army and Blanchard's army, does not permit General Weygand to give you an answer on the absence of communication between Blanchard and Gort. But since he is in direct communication with the Belgian army he is convinced that Blanchard, and through him, Gort, had received his instructions. Proof of the cooperation between Blanchard and Gort appears from the fact that on the previous night a French division had relieved an English division.
9. General Weygand just now learned of the departure of large units of the British army from Le Havre, which has produced great moral confusion behind the front. Like myself he is very much surprised as he was not previously informed of this matter.

10. You will be of the opinion, as I am, that in these fateful hours the unified command must now more than ever be successfully asserted and that General Weygand's commands must be carried out.

11. General Weygand is convinced that his plan can only be crowned with success if the Belgian army and the Blanchard and Gort armies are filled with that fanatical will to undertake an attack which alone can save them.

Document No. 17.

Telegram from General Weygand to the French Military
Attache in London. May 28, 1940.

Necessity for action by the British air force at Dunkirk.

P.C. 28 May 1940 No. 565 CAB / D.N.

Commander in Chief General Weygand to General Lelong,
French Military Attache, in London.

The Admiral in Command at Dunkirk asserts the necessity
of an energetic defense by air and naval forces to assure
reenforcement and partial evacuation of the troops fighting
in the defense of Dunkirk bridgehead. I do not doubt that
this necessity is understood by the British authorities.
However, I ask you to memorialize them again so that every-
thing is undertaken to realize these ideas.

General Weygand.

(Deciphered and dispatched 28 May 1940 at 6:10 P.M.)

Document No. 18

Telegram from General Weygand to the British High Command of May 30, 1940.

Urgent request to re-station the British air force, which has returned to England, in France so that it can participate in the new developing battle. The whole weight of the battle otherwise falls on France.

Secret - 30th May 1940 Number 1272/3 -- F.T. Arcole, Brumaire:

Please inform the British High Command immediately of the following:

The head of the British military mission informed General Georges on May the 29th that the British Government intended to continue the struggle in France side by side with the French Army. The armored division and 51 divisions remain in France under the command of the French High Command and will be strengthened as soon as possible. The British air force remains in France. Commander-in Chief Weygand thanks the British High Command for this demonstration of solidarity; however he believes he must direct the belief of General Staff's attentions to the position of the British air units remaining in France. At present only three pursuit squadrons remain on French soil. All the others have returned to England. After the end of the Battle of Flanders, the last-mentioned squadrons are not

in a position to take part in the new battle beginning possibly on the Somme front, in Champagne, or on the Meuse. The whole weight of the battle thus falls on the French Army, which must suffer enormously.

The French Commander-in-Chief urgently asks the British High Command to understand the situation's gravity and to adopt all measures in order that a considerable section of the British air force, particularly pursuit planes, can be stationed in France in preparation for the imminent battle.

Weygand.

Document No. 19

Telegram from General Weygand to the British High Command of June 2nd 1940.

Most urgent request to set the British fleet and air force in operation at Dunkirk so that the French rear-guard will not be sacrificed. Number 1328/3 F.T. 2nd June 1940

Arcole, Brumaire

Please give the British High Command the following information immediately:

Admiral Nord telegraphed today that besides the 25,000 Frenchmen defending the Dunkirk bridgehead another roughly 22,000 additional Frenchmen remain. All Englishmen are to be moved this evening. As it is to be hoped that these 22,000 Frenchmen can be transported on the following evening, there will still remain 25,000 defenders early on the next day. On these grounds Admiral Nord explains that he will remain in Dunkirk and delay the blocking of the harbor entrance. He asks that all British naval and air transports be placed at his disposal tomorrow Monday evening in order to move the 25,000 men who by their perseverance made possible the embarkation of the last British contingents. Please stand up most urgently in the Commander-in-Chief's name for the fulfillment of Admiral Nord's request.

Indicate that the solidarity of both armies demands that the French rearguard should not be sacrificed.

Document Number 20

Manuscript of General Weygand to Paul Reynaud of
June 3, 1940.

Urgent request once again to influence Winston Churchill
so that the British air force should come to the French
troops' help.

Appendix to this manuscript.

Report of the Commander-in-Chief of the French air force to
General Weygand of June 3 1940 on the necessity for the
immediate dispatch of ten British pursuit squadrons. Fulfill-
ment of this request is a matter of life and death.

The Commander-in-Chief's chief headquarters. Number 582 -
CAB/D.N. 3rd June 1940

Carbon copy. Very secret!

Mr. Premier,

Today I allow myself to transmit to you another letter
which General Vuillemin has written me and which ^{he}/described as
extremely urgent. The letter supports the pressing appeal
which you have forwarded to Mr. Winston Churchill. His
inclusion is in no wise exaggerated; if our troops are not
to enter the battle tomorrow with unequal weapons, they need
the support of a strong pursuit plane force. Nobody who
has taken part in the last battle will deny this. Our own
air force is in no position to give our troops this indispensable
aid.

Document No. 29 (Cont.)

I need not underline the seriousness of the above-described general situation; unless we immediately receive the entire required support from the British authorities, it appears probable that the French forces will be defeated and the war will be lost for Great Britain and France. As the enemy can choose the time for his offensive, the required support can only be described as immediate when the British pursuit planes are stationed in France in advance. I have therefore the honor to ask that you petition the British authorities ~~xxxxskxtkgt~~ ~~xxx~~ so that support can ensue according to the following:

First. Immediate dispatching of 10 British pursuit squadrons, which will be stationed in the Eureux DrouX vicinity and which can be mobilized for the land forces' support west of the French deployment between the line PONTOINE-PERONNE and the sea. This would put me in a position to keep stronger forces ready for the rest of the front and consequently to pay regard to the units to be ordered to the south-east.

Second. Preparations for the much-hastened dispatch to France of 10 additional pursuit squadrons, which would be stationed from the first day of battle onwards in British-occupied areas.

Third. Since these squadrons would be stationed at bases already occupied by the British and French, their reinforcements would not call for any movement. If, in fact, the enemy should make the strategic blunder of attacking France

Document No. 20 (Cont.)

the critical character of the situation I have described to you.

I am honored to present my reflections on this subject as follows: If, as it is to be expected, the enemy carries through within a short time a fresh massed concentration of the armored car and air arms against the new defensive front now being constructed, it must absolutely be expected that it will again crush through our position and accomplish a quick and deep penetration, which we can no longer continue if we are not in a position to eliminate the enemy bombing planes at the beginning of the attack by a massed force of allied pursuit plane squadrons.

Such a massed force would assume the support of at least half the air force stationed at the English airports. This is all the more necessary as German action in the south-east and Italy's possible entry into the war have already compelled me in view of the extraordinary weak material in the south-east and in North Africa to detach parts of the air force to the south-east. These detachments, which are ludicrously small in relation to the possible danger, will have to be strengthened after Italy's entry into the war, unless the whole of our south-east is to be delivered up without defense against an Italian operation. Such an operation might likewise include simultaneous assaults by armored cars and by air and might well have the same success as the German offensive in the north-east.

Document No. 20 (Cont.)

In consideration of the gravity of the situation, I ask you to influence the British Prime Minister. General Vuillemin's letter has already been brought to the attention of the Commander-in-Chief of the British ~~ix~~ air force in France and of the Chief of the French air mission to the British Air Ministry.

I am, Mr. Premier, etc.

signed

Weygand

Commander-in-Chief of the Air General Staff, D. Bureau

NN. 3987. - 3/O.S. 3rd June 1940

Most urgent ! Very secret !

General Vuillemin as commander-in-chief of the air force to the Commander-in-Chief and head of the national defence General Staff, Commander-in-Chief of all the theaters of War. (Cabinet-General Staff - 3rd Bureau)

I begged you in Manuscript Number 3906 - 3/O E.L.G. of the 31st May 1940 most urgent to petition the highest British authorities to obtain from them a massed concentration of pursuit planes in France. The unfolding of events, which now moves in the direction of an assault by strong German bomber groups in the south-east and of the possibility of Italy's immediate and imminent entry into the war, further strengthens

Document No. 20 (Cont.)

and England without previously renewed offensive operations, these squadrons could return to their English bases on the very same day. In addition they would in this way probably avoid the planned bombing of pursuit plane air bases in England with which the enemy will start his operations against England. I might again state that it is a matter of life and death for France as well of England that these requests be met immediately

The Commander-in-Chief of the Air Force
Vuillemin



file personal

THE SECRETARY OF THE TREASURY
WASHINGTON

*PSE
H.M.P.*

July 25, 1940

MEMORANDUM FOR THE PRESIDENT:

The present draft of the Excess Profits Bill provides the following rates:

25% on that amount of net income which represents 15% of invested capital.

40% on that amount of net income which represents between 15% and 30% of invested capital.

50% on that amount which represents more than 30% of the invested capital.

Under current business conditions these rates will yield a probable minimum of \$500,000,000 per year.

A. M. Ladd

Income bracket in per- cent of invested capital	Rates for:				
	\$500,000,000	750,000,000	1,000,000,000	1,500,000,000	2,000,000,000

15% of invested capital	25%	35%	45%	70%	100%
Between 15 and 30% of invested capital	40	50	60	85	100
Over 30% of invested capital	50	50	60	85	100



*file
personal*

PSF: Morgenthau

THE SECRETARY OF THE TREASURY
WASHINGTON

MEMORANDUM FOR THE PRESIDENT.

July 26, 1940.

At 3:50 p.m., July 25th, after our conference with you, Mr. Sullivan called on Mr. Knudsen and asked him for a joint meeting with Mr. Stettinius and Mr. Henderson. Mr. Knudsen made an appointment at 4:15, at which time Mr. Sullivan met with them.

Mr. Sullivan delivered the message which you had asked him to give, and Mr. Knudsen was somewhat taken aback.

He stated that he had understood at a conference with you that there was to be no separation, and he did not think anyone in his organization was talking for separation.

Mr. Henderson said he had just completed a resolution which he and Mr. Stettinius were to present this same afternoon to Congressmen Doughton and Cooper. This resolution called for the separation of amortization and excess profits tax with the view of rushing through amortization. In view of the message from you, Mr. Henderson said that all efforts to separate the two provisions would cease. He also stated that he would give these instructions to Messrs. Biggers, Adams and Eaton, and to all others who had been working on this matter.

J. M. Stettinius

~~STRICTLY CONFIDENTIAL~~



ASSISTANT SECRETARY

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personal*

PSF: Morgenthau

TREASURY DEPARTMENT
Washington.

July 29, 1940.

The President

The White House.

Attention: General Watson

Dear Mr. President:

By direction of the Secretary, I am enclosing a statement showing "Exports of Petroleum Products, Scrap Iron and Scrap Steel from the United States to Japan, Russia, Spain, and Great Britain, as shown by Departure Permits Granted During the Week Ending July 27, 1940."

Respectfully,

Herbert E. Gaston
Assistant Secretary of the Treasury.

Enclosure.

EXPORTS OF PETROLEUM PRODUCTS, SCRAP IRON AND SCRAP STEEL
 FROM THE UNITED STATES TO JAPAN, RUSSIA, SPAIN, AND GREAT BRITAIN,
 AS SHOWN BY DEPARTURE PERMITS GRANTED DURING THE WEEK ENDING JULY 27, 1940.

	JAPAN	RUSSIA	SPAIN	GREAT BRITAIN
PETROLEUM PRODUCTS				
Fuel and Gas Oil	428,348 Bbls.	---	---	103,500 Bbls.
Crude	142,323 Bbls.	---	---	---
Gasoline	47,857 Bbls.	---	---	130,000 Bbls.
Lubricating Oil	55,915 Bbls.	---	100 Bbls.	122,568 Bbls.
Iso-Octane Fluid	---	---	---	---
SCRAP IRON AND SCRAP STEEL	52,669 Tons	---	6,000 Tons	60,601 Tons

Office of the Secretary of the Treasury, Division of Research and Statistics. July 29, 1940.

Source: Office of Merchant Ship Control, Treasury Department.



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TREASURY DEPARTMENT

WASHINGTON

September 6, 1940

MEMORANDUM FOR THE PRESIDENT:

Summary of Oil Situation in Japan, Germany and
German-Controlled Territory

The estimates given below include confidential ones obtained from British Government oil experts and from American oil experts (Standard Oil and Tidewater Associated). The Treasury estimates are the result of independent calculations based on numerous sources of information available to the Treasury.

Situation in Japan

Conclusion: The Treasury estimates that Japan has sufficient oil, without imports, for eight to ten months (at the present rate of consumption). This conclusion seems to be in substantial agreement with the opinion of U. S. and British oil experts. The British, however, feel that the stocks of lighter products are sufficient for only six months, while the stores of fuel oils are adequate for a much longer period.

1. Present Stocks

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
30 million barrels	20-25 million barrels (not including Japanese Navy stocks on which they had no estimates)	32 million barrels (including Navy stocks of 10 million barrels)

2. Japanese Production
(Annual, including imports from Sakhalin)

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
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All three estimates place Japanese production at about
4 million barrels

3. Japanese Refining Capacity

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
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(No independent information)	24 million barrels	23.5 million barrels
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4. Japanese Current Consumption (Annual)

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
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35 million barrels	35-40 million barrels	34 million barrels
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Situation in Germany

British detailed estimates on German stocks are not yet all available to us but their conclusion on the German oil situation is that by April, 1941, the German oil situation will be critical. She will by then have used up available reserves and her current supplies will be substantially less than her needs. This conclusion assumes no serious impairment of her production facilities or source of supply but anticipates a substantial rise both in German production and imports from Rumania. Any destruction of stocks or plant facilities by the British Air Force will move the date forward. Treasury estimates place the critical date two months later, i.e., June, 1941. These estimates may err as much as two months either way, owing to the uncertainty of the rate of consumption.

1. Present Stocks

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
25 million barrels	30 million barrels (as of June 1, 1940)	Not yet received

2. Stocks acquired by Germany in Invaded Areas
Other Than France

<u>British estimate</u>	<u>Standard Oil estimate</u>
3 to 4 million barrels	11 million barrels

3. Stocks acquired in France

Both British and Standard Oil officials believe French stocks were largely destroyed. British estimate Germans obtained less than 2 million barrels in France.

4. Stocks in Italy

<u>Treasury estimate</u>	<u>U.S. oil experts</u>	<u>British Gov't. experts</u>
10 million barrels	No estimate supplied	18 million barrels (As of June)

5. Total stocks now available to Germany and Italy

Average of available estimates -- 45 million barrels

6. Supplies estimated by Treasury as forthcoming during the
next 8 months -- 40 million barrels

(a) From Rumania	14 million barrels		
(b) " U.S.S.R.	1	"	"
(c) " Petroleum Production	9	"	"
(d) " Synthetic Production	19	"	"
Total	43	"	"
Stocks now available	45	"	"
Total available by April	88	"	"

7. Estimated consumption of Germany, Italy and invaded areas
by April, 1941 -- 80 million barrels

This is a very rough estimate, based on an increase in German consumption (over normal peacetime needs), no increase in Italian requirements (because of curtailed civilian use), and a decrease in conquered territories' consumption to one-third of normal. (The Treasury and the British agree that conquered territories will be restricted to about one-third their normal oil consumption.)



THE SECRETARY OF THE TREASURY
WASHINGTON

September 10, 1940

2.
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My dear Mr. President:

The aviation manufacturing industry has furnished us each month, on a strictly confidential basis, the number of employees in each individual factory. My agreement with them is that I will not show these figures to anybody except the President of the United States.

However, the increase in the number of employees is so impressive that I thought you might want to use it and nothing in my agreement with the industry would keep you from giving out the total figures involved.

I would like to draw your particular attention to the fact that in December, 1938, the aggregate number of employees was 31,200; in December, 1939, it was 65,400, and in August, 1940, 110,400.

This seems to me to tell the story of the growth in the aviation industry better than any figures that have yet come to my attention.

Yours sincerely,

The President,
The White House.

~~STRICTLY CONFIDENTIAL~~