MEMORANDUM.

1. Call in the Secretaries of War and Navy, and the Acting Secretary of the Treasury and instruct them to give full cooperation to the end that the French orders may be filled by July, 1939, if possible; or as soon thereafter as practicable.

2. Full release to be given immediately on facilities for Douglas bomber and latest make of motors, in addition to release already given on Martin and Curtiss planes.

3. Once the French orders have been contracted for, a public statement should be made by the French authorities to the effect that orders for planes have been placed in this country.

4. Do you prefer an American or a Canadian company?

January 11, 1939.
INFORMATION WHICH THE NAVY DEPARTMENT
REQUIRES BIDDERS TO GIVE WITH RESPECT TO PATENTS

PATENT DATA:

Each bidder shall submit in triplicate, with his bid, the following classified information:

(1) A list of patents owned or controlled by him which cover any portion of the material which he proposes to furnish.

(2) A list of all patents covering any portion of the material which he proposes to furnish and under which he is licensed by others to manufacture such material for the Government.

(3) A list of all patents covering any portion of the material which he proposes to furnish and under which he is not licensed to manufacture such material for the Government.

Where no patents are involved under any one of the above classes, bidder shall state explicitly that such is the case.

Where part or all of the material is to be furnished by a subcontractor, bidder shall also furnish the above information in addition for that portion of the material which is to be furnished by such subcontractor.
MEMORANDUM FOR: The Assistant Secretary of War.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time brief reports of important foreign inquiries for military equipment, the following notes are made:

FINLAND

Within the last few days conferences have been arranged with the Signal Corps and the Military Attache' of Finland, covering Signal Corps items which can be released for foreign negotiations. Technical advice for the Finns was also obtained from the Chemical Warfare Service in connection with samples of protective clothing submitted by manufacturers to them.

At one of the recent conferences, the Finnish Military Attache' mentioned that they are considering a shell forging order for 76 mm ammunition. It was suggested to him that a plant in Chicago which is nearing the end of an educational order for this country might well be considered for a production order for the Finns.

There has also been discussion of a requirement for about 700 tons of nitroglycerine powder, and we have been informed that some difficulty is being experienced in negotiations for this type of powder. There is only one source at the present time and its capacity seems to be completely absorbed by other orders.

The most recent discussions with the Finnish Attache' have been concerned with purchase of 280 pursuit airplanes, or such part of this number as can be obtained within a reasonable time. The Finns have been referred to Seversky, Grumman and Brewster, and arrangements made with these firms to have a conference at the Legation.

On October 31st a conference was held with the Counselor of the Canadian Legation and the Secretary of the Legation concerning Canadian probable requirements in this country. Arrangements were made for the Canadians to furnish to us a general statement of their probable requirements, with particular emphasis on those which will require a long time to manufacture.
A Belgian Military mission is now in this country with particular interest in obtaining 50 pursuit planes and 20 2-engine attack or light bomber planes. A conference has been held with this mission and the situation on aircraft reviewed with them. They were given the names of certain companies to be approached in connection with their requirements. Apparently this mission is also interested in procuring .50 caliber anti-aircraft guns on twin mounts, but they were not able to advise as to the numbers or other details and it was suggested that the question of procuring these guns be taken up later.

An inquiry was received from the State Department on behalf of the Mexican Embassy, regarding the availability of sources for alloy steel to be used in the production of rifles in Mexico. The names of some of the large steel companies producing alloy steel were furnished to the State Department for transmission to the Mexican Embassy.

There have been several contacts with French representatives in the last few days.

Major Barbier of the French Ministry of Armament conferred with members of the Clearance Committee concerning the supply of explosives from plants in this country. He was interested in obtaining immediate deliveries on small arms powder and tetryl. It was pointed out to him that the existing powder and explosive facilities are practically all taken up with existing orders, but he was given the names of explosive firms and particularly was referred to Western Cartridge Company, where an experimental tetryl plant producing very excellent tetryl is in operation. It was also suggested that he discuss this requirement for small arms powder with Western Cartridge Company. His attention was also directed to the new plant of the Atlas Powder Company at Joplin, Missouri, which is just getting into production of TNT and will eventually have a capacity of about one million pounds a month.

Major Barbier explained that these immediate orders would probably be the forerunners of much larger orders if capacity in this country can be found.

Another request from the French was for list of firms who might be interested in taking orders for the following items:

- 75 mm gun tubes
- 155 mm gun tubes
- 155 Howitzer recoil mechanism and carriage
- Small arms ammunition
- Rifles
- Fuse components.
A list of 50 or 60 firms was prepared and is now in the Navy Department for coordination. It will be noted that quantities are not included in this request, but from other information in the files it is believed that any orders placed will be rather large.

A conference was held on October 31st with Colonel Jacquin, Special Representative of the French Air Ministry, in connection with information on flying boats. The interest was in 12 large, heavy duty, flying boats, similar to the Navy Consolidated Aircraft Type PBY. Inquiry was also made as to the possibility of obtaining one very large 4-engine flying boat that could be used for ferry purposes. After discussion of the characteristics, the Representative was referred to three aircraft corporations who might build such flying boats and the Washington representatives of the companies named were contacted with a view to preliminary negotiations.

It was learned that the Douglas Aircraft Company had made a contract for the sale of 100 PB-7A airplanes to the French. These airplanes were to be powered with R-2600 type engines. The Douglas Company was informed by the Chief of the Air Corps that this type of airplane had not been released for export and that until such time as the airplane is designated as a production article, it is not eligible for export.

Reference was made above to the French Ministry of Armament. We understand from Major Barbier that a very high official of the Ministry of Armament is due to arrive in this country within the next week or ten days and will be in New York in connection with buying for the French Government. We were informed also that the Ministry of Armament was constituted on Sept. 16th and has three divisions:

1. Metallurgical products
2. Machinery and equipment
3. Chemicals and explosives

Colonel Jean is in charge of the first two of these divisions and Major Barbier, who is an explosive expert, has the third of the divisions.

CHAS. HINES,
Colonel, U.S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.
THE ASSISTANT SECRETARY OF WAR
WASHINGTON

November 24, 1939

Dear Pa:

For the President's information there is enclosed Report No. 6, covering "Foreign Inquiries for Production of Munitions", dated November 21, 1939.

Sincerely yours,

Louis Johnson

General E. M. Watson
Secretary to the President
The White House

Enclosure
MEMORANDUM For The Assistant Secretary of War.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time brief reports on foreign inquiries for military equipment, the following notes are made:

GREAT BRITAIN

Information has been received from the Washington representative of North American Aviation, Incorporated, that the British Government has signed a contract with that firm for 600 BC-3 airplanes, complete with engines. It is stated that the first delivery will be in May, 1940.

In a previous report, it was noted that the British Government made inquiry whether the design of the Colt 37 mm A.A. gun could be released to them and the question was also raised whether it would be permissible to produce this gun in Canada. The War Department has decided that the design will be released if an order for 1,000 units is placed, but manufacture of the material outside the United States will not be permitted.

Information has been received from the British Embassy that Brigadier General G. F. Collins and Colonel H. Gamble are at present in the United States for the purpose of purchasing mules for the Government of India. It is further understood that these officers are at present in New York City.

CANADA

The Secretary of the Canadian Legation has made inquiry concerning an estimate of cost and probable rates of delivery for eighteen A.A. guns, together with fire control equipment, and...
9,500 rounds of ammunition. This preliminary information is in process of collection at the present time and if the Canadian Government decides to undertake orders the question of release of the American designs will then be decided.

In the last report mention was made of a request by the Canadians for the use of Naval searchlight designs to be produced in Canada. This inquiry is still in process in the Navy Department.

**FRANCE**

The French Ordnance Mission in New York is negotiating with USL Battery Corporation for the production of 2,500,000 20 mm unloaded machined shell and 1,500,000 25 mm unloaded machined shell. The representatives of the Corporation have visited the Committee and have been informed that there will be no objection to the acceptance of such an order for the French provided any Army or Navy orders in the plant concerned are not disturbed and the usual requirements for secrecy in connection with any of our orders are observed. This firm has no orders from the Army or Navy at the present time and expects to use an idle plant at Long Island City, New York. The Committee has urged that they consider the installation of machinery of sufficient size so that it would be useful for 37 mm Army shell or 1.1" Navy shell.

The Military Attaché of the French Embassy visited the office and asked whether American Army inspectors can be secured to inspect the searchlights under procurement by the French. He also wanted to know what the final acceptance tests for this material should cover. He was informed that our inspectors could not be used for this work and it was suggested that process inspection be omitted and a final inspection made in accordance with our own standards by a board of French officers. He was furnished our inspection and test forms for the information of the board.

From Mr. L. E. Hoover, Vice President of the Auto Ordnance Corporation, it was learned that the French have purchased 3,000 Thompson sub-machine guns. He stated that the question of a supply of Caliber .45 ammunition for these guns had been raised by the French and that there seems to be some difficulty in obtaining this ammunition from Remington Arms Company. The Secretary of the Committee called Colonel Lombard and he in turn got in contact with the
Mission in New York. It was then learned that the French are interested in obtaining 10,000,000 rounds of Caliber .45 ammunition for these guns and for possible later orders for guns. Apparently the cartridge companies are not particularly interested in taking foreign orders for small arms ammunition and the Committee plans to ascertain in the near future what is responsible for this attitude.

LATVIA

Through the State Department, the Latvian Legation states that the Latvian Government is considering contacting the American Ordnance Corporation, New London, Connecticut, for the purpose of purchasing 9 to 18 75 mm A.A. guns. This is no doubt the Davidson gun, since it is known that this corporation owns the design.

UNION OF SOUTH AFRICA

The Commercial Counsellor of the South African Legation asked for assistance in the procurement of 100,000 water bottles (canteens) for the Government of South Africa. As there were no reasons of military secrecy concerned with this item, the information desired by the Counsellor was given to him and he was introduced to the Washington representative of a prominent firm producing aluminum cooking utensils.

It was also ascertained from him that his government has on order in this country radio equipment valued at $195,000, and 700,000 yards of cloth valued at $246,000.

RUMANIA

Information was received from the Chamber of Commerce of the United States that a private firm in Bucharest had inquired of the sources able to make immediate delivery of anti-aircraft equipment. As it is known that the Rumanian Minister has been making purchases in this country, the correspondence was referred to the Division of Controls, State Department, for their information in case they desire to contact the Rumanian Minister concerning this inquiry.

SEARCHLIGHT ORDERS

A tabulation of searchlight orders has been made showing both the domestic and foreign orders, and is attached hereto.
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<th>Country</th>
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<td>Under contract with French Air Mission</td>
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<td>Negotiations with French Ordnance</td>
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<td>Dec. 1940</td>
<td>Glass</td>
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**RECAPITULATION**

| United States | 200 | 354 |
| France        | 178 | 654 |
| Brazil        | 60  | 948 |

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<td>Maximum potential capacity (75/mo.) expected Jan. 1940</td>
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<td>Jan. 1940</td>
<td>Sep. 1940</td>
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</table>

**RECAPITULATION**

| United States | 370 |
| France        | 354 |

**MIRRORS, METAL, FOR 60° SEARCHLIGHTS, A.A.**

**RECAPITULATION**

United States 370
France 354

November 20, 1939.
file confidential raw file

For the President -

E.M.W.
December 1, 1939

Dear Pa:

Here are Reports No. 7 and 8, on the subject of "Foreign Inquiries for Production of Munitions" for the President's information.

Sincerely yours,

[Signature]

General E. M. Watson
Secretary to the President
The White House

Enclosures
MEMORANDUM For The Assistant Secretary of War

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

FINLAND

Colonel Zilliaoua, accompanied by Mr. Joyce and Mr. Clark, his American Assistants, visited the Committee today to discuss the matter of further assistance in connection with Finnish orders to be placed in this country. In view of the situation which has developed in Finland in the last twenty-four hours, the Legation here is attempting to speed up its activities for the procurement of munitions. The Committee summoned Colonel Thornton of the General Staff, to sit in on the conference and Colonel Thornton brought information concerning the release of certain signal equipment which had been asked by the Finns some time ago. The Committee asked the Military Attache to submit his new requirements for assistance in writing so that decisions can be obtained from the War and Navy Departments. It is probably that these decisions will cover mainly technical assistance in the matter of specifications, etc.

Colonel Zilliaoua expressed his sincere appreciation for the cooperation of the Committee in sending Mr. Scott of Remington Arms Company to him today. (See below)

LOCKHEED AIRCRAFT CORPORATION

Information was received from the Assistant United States Trade Commissioner in Ottawa, in a report dated September 18th, that the Lockheed Aircraft Corporation has incorporated in Canada.
A conference was held with Mr. W. R. Scott, Director of Foreign Sales, Remington Arms Company, in connection with small arms ammunition orders for foreign governments. It seems that a contract with the French for 30,000,000 rounds of caliber 45 ammunition has been discussed but is not yet signed. Mr. Scott said that the contract price would be about $23.90 per thousand rounds, which the Committee considers a very low price for this ammunition under present conditions. He was asked what caliber 30 ammunition would cost at the present time and said that it would be about $40.00 per thousand rounds. He informed the Committee that he intends to offer to make 7.62 mm ammunition to fill a request from the Finnish Government. Later in the day he visited the Finnish Legation and Colonel Zilliacus was delighted to learn that the price of the ammunition asked was about equal to what it would cost to produce it in Finland in time of peace. This firm might also be interested in the manufacture of rifles and the Committee was asked to let them know if there are inquiries for rifles.

The Committee was much pleased with the attitude of the Remington Arms Company in the matter of price and with the statement that their policy is to take care of United States Government orders first, then domestic commercial customers, and accept foreign orders for such capacity as remains.

The question of powder supply was discussed and it was learned that the Company expects to get its powder from Hercules for the caliber 45 order.

In the course of the conversation, it was also learned that they have an order for 120,000 rounds of caliber 50 armor-piercing and tracer ammunition for the Norwegian Government.

Mr. Franklin P. Bradway of the DuPont Company visited the office for a few minutes and stated that the DuPont Company is still considering creation of new facilities for British and French orders but neither of these Governments has yet reached the stage of discussing a contract. He informed us that the Carney's Point Plant is filled to capacity for all of 1940 with U. S. Government orders and that any additional orders will have to be produced from new facilities.

DECLASSEIFIED
E.O. 11652, Sec. 3(F) and 5(D) or (E)
OSD letter, May 3, 1972
MAY 21 1973
EXCHANGES OF STEEL

A few days ago the American Iron and Steel Institute kindly furnished the Committee with a confidential report on orders for steel in the various categories for the period from October 31, 1939 to March 31, 1940. The figures furnished are an overall tonnage figure including seventy-five companies. It seems that foreign orders total about 90,000 tons and the United States domestic orders 869,000 tons. This clearly shows that until April, 1940, only about 10% of the orders will be for export, and indicates that the domestic market is causing the great activity in the steel industry at the present time.

CHAS. HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.
MEMORANDUM For The Assistant Secretary of War  

SUBJECT: Foreign Inquiries for Production of Munitions.  

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:  

GREAT BRITAIN  

While it is understood that a list of British purchases in this country is in course of preparation, such information has not yet reached the Committee. The head of the British Mission in New York, Mr. Purvis, is getting established at the present time and while it is known that the British Government has placed certain orders in this country, details have not yet been obtained. It is expected that arrangements will be made in the near future to establish and keep contact with the British.  

It is reported that Great Britain has placed an order with Martin-Parry Company for high-speed adapters for field guns but details were not obtained.  

FRANCE  

In report No. 5, reference was made to a French inquiry for gun tubes, small arms and other equipment.  

From a visitor to the office who had been asked to submit a bid on gun tubes, it was learned that the following artillery items are being discussed:  

- 500 75 mm gun barrels  
- 300 155 mm gun barrels  
- 150 155 mm howitzer carriages (w/o barrels)  

It is understood that the French are asking for bids on these items.
Information received from the Small Arms Division, Ordnance Department, indicates that Colt has an order for 400 7.5 mm aircraft machine guns for the French Government. Colt apparently has orders for about 600 machine guns for foreign account.

From the DuPont Company it has been ascertained that the French are inquiring for a considerable quantity of powder, high explosives, and certain other chemicals needed in the production of powder. The quantities involved are so large that if the French get to the stage of a contract it will be necessary for the DuPont Company to build a new plant.

In connection with this same report from the DuPont Company it has also been learned that the British Government has asked for a rough estimate of the cost of building a smokeless powder plant and a T.N.T. plant.

It will be recalled in the last report mention was made of the sale to the Government of France of 3,000 Thompson submachine guns and it was further stated that the question of a supply of caliber 45 ammunition for these machine guns was being discussed with the Remington Arms Co. It has been recently learned that the Remington Arms Company is considering a bid to the French Government for 30,000,000 rounds of caliber 45 ammunition. This has not been verified but it is expected that more definite information will be obtained from the sales manager of Remington Arms Company when he comes in to visit the Committee in the near future.

In the last report it was also stated that the small arms ammunition manufacturers do not seem to be displaying much interest in foreign orders for small arms ammunition. The reason seems to be the powder situation. There is not enough powder production for small arms to enable them to take any large orders at the present time.

The Canadian Legation made inquiry concerning an estimate of cost and probable rates of delivery for 18 antiaircraft guns and 9600 rounds of ammunition. A report was furnished to the Legation covering this inquiry.

At a recent meeting with the Counselor of the Legation it was agreed that Canada would furnish to us a tentative list of their requirements in this country. Information received on November 29th indicates that this list of requirements can not be furnished at the present time but will be furnished later.
The Secretary of the Legation also conferred with the Committee on specifications for aircraft gasoline and lubricants and he was advised that the specifications used by the commercial companies are satisfactory for military aircraft use. He also inquired concerning our specifications for fluids used in hydraulic mechanisms on airplanes and this information is also being furnished to him.

MEXICO

In a recent report it was noted that a firm of brokers in New York had offered to the Finnish Government 37 Twin Wasp engines, 24 Junior Wasp Engines and 22 Bellanca airplanes. It was learned from the Finnish Attache that these items are actually at Vera Cruz and belong to the Mexican Government. The presence of this equipment at Vera Cruz was confirmed by the Second Secretary of the Mexican Embassy, who visited the office a few days ago.

The Mexican Government made inquiry for possible sources and estimated prices of the following items in the United States:

- 50,000 Rifles, 7 mm Mexican Model (Mauser)
- 54,700,000 Rounds Ball Ammunition, 7 mm
- 12,000 Rounds 75 mm H.E. Shell (For Saint Chamond-Mondragon Gun)
- 7,000 Rounds 75 mm H.E. Shell (For Mountain Guns of the model made by the National Forge and Ordnance Co.)
- 32 75 mm all-purpose guns (with battery equipment for 8 batteries)
- 64,000 Rounds 75 mm H.E. Shell (For the all-purpose guns)
- 60 Machine guns, 13.2 mm Colt (with equipment)
- 1,000,000 Cartridges, ball (For the 13.2 mm Colt)
- 160 Machine guns, 7 mm, light type (For Cavalry use)

A preliminary report is in course of preparation at the present time.

NETHERLANDS

The Naval Attache of the Netherlands Legation called to ask where T.N.T. can be procured and he was informed as to the sources. He stated that this T.N.T. must be of the powdered type suitable for compression into demolition blocks and is wanted for the Netherlands East Indies.
BRAZIL

Information has been received from the State Department that a distributor of American products in Rio de Janeiro is about to lose a contract with the Brazilian Army for the sale of 30 NORTH AMERICAN advanced training planes valued at approximately $1,600,000.

From one of the Ordinance Districts, it was also learned that an agent representing himself to be accredited from the Brazilian Government had approached one firm to bid on a tank order. This bid was to be premised on using the United States Army design for tanks. The District was advised that requests for the use of United States Army designs must be handled through the Embassy.

FINLAND

The Finnish Legation has made several contacts with the Committee in the last few days and such help as could be given them has been rendered in their attempts to place orders in this country. The following items are being discussed at the present time:

- 140,000 complete rounds 75 mm ammunition (for Bofors Model)
- 230,000 complete rounds 81 mm Stokes-Brandt mortar shell
- 1,000 depth charges
- 40 Y guns
- 150,000 complete rounds 105 mm howitzer ammunition
- 15,000 complete rounds 105 mm Gun Ammunition (Finnish design)
- 5,000-15,000 complete rounds 152 mm gun ammunition

The Finnish Representative also asked advice concerning contract forms and it was suggested to him that he adapt one of our approved war contract forms for the needs of his orders. The Committee also advised him to approach the commercial inspection services for such inspection as will be necessary for their orders. Up to this time, the Finnish Government had not actually taken definite action to use any of our designs already cleared for their use, but it is expected that they will request the use of some of them in the near future, particularly that of the anti-tank 37 mm gun.
YUGOSLAVIA

It has been learned that an order has been placed with American Armament Corporation by the Government of Yugoslavia for 120 - 3" anti-aircraft guns and 120,000 rounds of ammunition for these guns. These guns are to be made in accordance with the designs of the American Armament Corporation and an export license has been asked for this order. The present status is that the drawings and specifications are being examined by the Ordnance Department. Apparently this order was placed in Belgrade by the Yugoslavian Government without notifying the Legation here in Washington.

The Military Attache, Colonel Mirko Burya, who has just reported for duty in Washington, visited the Committee on November 29th and asked for advice and information on the following:

1. Complete factory for the production of nitroglycerine and nitro-glycerine powder. The capacity for nitro-glycerine powder should be 1600 kilograms for 24 hours, and the capacity of nitro-glycerine production for one hour should be 200 kilograms.

2. Purchase of already manufactured (1) nitro-glycerine powder and (2) nitro-cellulose powder in the following amounts:
   - Price for 50,000 kilograms.
   - Price for 100,000 kilograms.
   - Price for 200,000 kilograms.

3. 30,000 gas masks for horses and 1,000 for dogs.

4. 300,000 kilograms of toluol, 450,000 kilograms of cotton for powder.

5. Raw rubber -- 120,000 kilograms.

6. Addresses of the manufacturers of army engineers' machinery:
   Movable construction machinery.
   Compressors of different types, movable by horses or by men.
   Pneumatic or motor shears
   Motor saws.
   Pump assemblies.
   Portable ventilators.
   In general, material for pioneers, railroad and electromachine units.

He was informed that a study would be made of these requirements and a preliminary report furnished in the near future.
UNION OF SOUTH AFRICA

Information was received from the Drug Manufacturer's Association that the firm of Eli Lilly & Company had been requested to quote on 5,000,000 quinine tablets, and that the interested country was the Union of South Africa. It is understood that the Company declined to quote.

SCRAP IRON

Newspaper reports indicate that Great Britain has ordered 850,000 tons of scrap iron, Italy, 150,000 tons, and Japan 100,000 tons.

REPORTS FROM EMBASSIES ON ORDERS PLACED

Prior to the revision of the Neutrality Act, the Committee asked the Division of Controls of the State Department to circulate a note to the various Embassies requesting them to keep the Army and Navy Munitions Board advised concerning orders placed in this country. The day the amended Act was passed the State Department sent out this circular note and acknowledgments have been received from most of the Embassies. So far complete reports have been received from the Argentine Government, the South African Government, and the Turkish Government. The reports from these three governments do not represent a large dollar value. It is the hope of the Committee that similar reports can be obtained in the near future from the British and French Governments which will bulk large in dollar values.

EXPORT LICENSES

An examination of export licenses issued in the last month shows that aircraft orders still constitute the greater part of the foreign munitions program in this country. A tabulation of the situation for the period from October 30th to November 25th, 1939 follows:

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CHAS. HINES
Colonel, U. S. Army
Chairman, Clearance Committee
Army and Navy Munitions Board.
Dear Pa:

I am enclosing Report No. 12 on the subject of "Foreign Inquiries for Production of Munitions" for the President's information.

Sincerely yours,

[Signature]

General E. M. Watson
Secretary to the President
The White House

Enclosure
MEMORANDUM FOR: The Assistant Secretary of War.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

BELGIUM

A report from the State Department seems to indicate that the Belgian Aviation Purchasing Commission may not buy any airplanes in this country. The information is that they have inspected plants and airplanes and discussed possible contracts but have not been authorized by their government to place any orders because of the 6 to 12 months delivery periods. Apparently, they have received instructions to return to Belgium without placing orders but they are trying to persuade their government to alter its decision and authorize them to place orders.

CANADA

Several days ago the Canadian Legation asked for prices paid by the War Department for 600 and 1100 pound demolition bombs. This information has been furnished to them.

FINLAND

As stated in a previous report, the Government of Finland is negotiating with the Hunter Manufacturing Company for the production of trench mortars and ammunition for these mortars. They officially asked for advice concerning the trench mortar and its ammunition to be supplied by this company and furnished the drawings and specifications for comparison with our own manufacturing information. These drawings are being studied in the Ordnance Department at the present time.
It seems probable that the Government of Finland will next consider an order for 37 mm anti-tank guns and they are studying two commercial models which have been submitted to them.

The Finnish Legation has notified the Committee that it desires to purchase immediately 60,000 gas masks, preferably standard gas masks used by our Army. This item has not heretofore been released for negotiations for foreign sale and the necessary procedure to obtain clearance has been initiated. It seems probable that the Legation will want to use Goodyear Tire & Rubber Company if they finally decide to place an order.

The Finns have also requested that specifications for standard materials used in aeronautical equipment be released to them since they anticipate purchase of certain aircraft materials from American manufacturers for use in their aircraft factory in Finland. They have no specifications for these materials and are asking permission to use our specifications. This matter has been referred to the Aeronautical Board for recommendation.

**GREAT BRITAIN**

Colonel Crane of G-2 had an inquiry from the British Government concerning the National Pneumatic Company of Rahway, New Jersey. This firm has an order for 37 mm gun tubes from the Army and seems to perform good machine work, but has the disadvantage that it is connected with another firm which does not have a good reputation. Colonel Crane was informed as to the facts in this matter and told that there seems to be nothing against the National Pneumatic Company itself as a manufacturer.

The Bureau of Ordnance of the Navy Department advised that a contact had been made by the British concerning anti-aircraft guns to be placed on merchant ships. The Bureau of Ordnance is considering the question of release of Navy designs.

**NETHERLANDS**

The Netherlands Legation furnished the Committee with a statement of orders placed in this country by the Royal Netherlands Arsenal. Orders were placed by the New York office of the Arsenal and are principally with the American Brass Company and the Revere Copper and Brass Company for basic materials to be used in the production of ammunition.
From a commercial source a report was given to the Committee that 120 4" Howitzers have been delivered by Germany to the Netherlands, and moreover that 100 anti-aircraft guns will be made available to the Dutch by the Germans to be used in their Colonial Possessions. As stated above, this was obtained from commercial sources and the truth of the report has not been verified.

**TURKEY**

Colonel Crane of G-2 turned over to the Committee an inquiry from the Turkish Ambassador for prices and probable delivery dates covering the following armament:

- 1,000 37 mm anti-tank guns
- 1,000 rounds per gun for these guns
- 124 75 mm or 105 mm anti-aircraft guns
- 1,000 rounds for each of these guns
- 324 37 mm anti-aircraft guns
- 1,000 rounds for each of these guns

A preliminary report giving estimated costs and probable delivery dates has been furnished G-2 and the procedure to obtain use of American designs explained.

**UNION OF SOUTH AFRICA**

The Committee has been notified by the S. B. Penick Company of New York that they have an inquiry from Bloemfontein, South Africa, for a large quantity of chemicals which enter into the manufacture of paint. Our information is that this company proposes to bid on this order.

**YUGOSLAVIA**

The Government of Yugoslavia is active in attempting to place orders for anti-aircraft guns and ammunition in this country. The situation has been explained to the Military Attache and the names of several prominent firms who might be contacted were furnished sometime ago when the original clearance on the use of American designs was granted. The present status is that the Minister is expecting to confer with the Washington representatives.

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DECLASSIFIED
E.O. 11652, Sec. 8(E) and 5(D) or (E)
OSD letter, May 3, 1972
By RT, NASR Date MAY 21 1973
of some of these firms next week. It seems doubtful that he will find much interest in this order because the larger firms seem to have plenty of domestic work and are not particularly interested in foreign munitions orders.

CHAS. HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee
Army and Navy Munitions Board.
December 20, 1939

Dear Pali:

There is enclosed for the President's information Report No. 14 on the subject of "Foreign Inquiries for Production of Munitions."

Sincerely yours,

Louis Johnson

General E. M. Watson
Secretary to the President
The White House

Enclosure
MEMORANDUM For The Assistant Secretary of War
The Assistant Secretary of the Navy

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

**BELGIUM**

Remington Arms Company reports that the Belgian Government has approached the company to purchase from 500,000 to 2,000,000 rounds of Caliber .50 ball, A.P., and tracer ammunition. It is our understanding that the company can accept this business without detriment to U.S. Government orders on its books.

In a previous report it was noted that the Belgian Aviation Purchasing Commission might not buy any airplanes in this country and that they had received instructions to return to Belgium without placing orders. The Mission apparently has convinced the Belgian Government that an order should be placed and the present information is that the Brewster Aeronautical Corporation has received an order for forty airplanes of the single seater fighter type. The planes are to be delivered as follows:

1 on February 1, 1940
14 on March 31, 1940
25 on April 30, 1940

**BRAZIL**

The Brazilian Embassy has furnished the Committee the names of firms and money values of orders in this country for the Brazilian Army. This list includes spare parts for aircraft, steel, transmission cables, and power plant equipment.
Canada

Dr. Riddell, Counselor of the Canadian Legation, has officially requested copies of the U.S. Army Air Corps material specifications issued by the Materiel Division, Wright Field. He stated that these specifications are intended mainly for the proper maintenance of aircraft purchased in the United States. This request is in process at the present time.

Chile

Colonel Crane, G-2, War Department, brought Major Marin of the Chilean Army to the office to discuss certain information to be requested by the Chilean Army. This information included the types of armament used in our army, the military equipment produced by our arsenals, products being produced for the army by commercial plants, and organization of the U.S. Army. The Committee is gathering information for all of these topics, except the organization of the army, and will submit this information to G-2 for final decision as to release.

Finland

In connection with the early delivery of Brewster airplanes for Finland, the question has been raised whether Caliber .50 guns can be supplied in this country for these airplanes. Apparently the Colt Company cannot supply the commercial version of the Caliber .50 gun before March 1st. The Finnish Legation has asked for priority in the Colt Company program for at least 100 guns to equip these airplanes. The whole question of priority over the orders for the army now in the Colt plant is being reviewed at the present time and after study is made it is expected that a decision will have to be made by higher authority as to priority for this urgent request of the Finnish Government.

It is understood that the Finnish Legation is also discussing orders for tractors and trucks to be used as prime movers for artillery.

Haiti

Colonel Lirac, representing the Haitian Government, was introduced to the Committee by Colonel Crane of G-2. He is interested in securing the following equipment for Haiti:
2,500 Springfield Rifles
20 Anti-tank Guns
50 Cal. .30 Browning Machine Guns
120 Cal. .30 Browning Automatic Rifles
An indefinite quantity of Cal. .30 ammunition

It is understood that a request for certain of this equipment is under consideration in the General Staff at the present time. Colonel Lirac was principally interested in the probable costs of the various items of equipment noted above. A rough idea of the probable costs was given to him.

The Norwegian Minister has informed the Secretary of State that he may ask for additional export licenses for twelve Curtiss-Hawk airplanes, and it is informally understood that Norway may buy even a larger quantity of this type of plane.

**YUGOSLAVIA**

Apparently, Yugoslavia is seriously considering placing an order for 120 anti-aircraft guns and ammunition for these guns. A local representative of the Bethlehem Steel Company has established contact with the Committee with a view to sending an estimator to the Office of the Chief of Ordnance to see the drawings and make a bid. This order is considered a substantial order and release of designs was approved some time ago.

**EXPORT OF AIRPLANES**

The Committee has been informally told by the Bureau of Foreign and Domestic Commerce that there seems to be an acceleration of exports of airplanes in the recent past. The Bureau has advised that the exports in the last month were $10,750,000 to France and $450,000 to England. The unusually large export of $1,250,000 worth of refined copper to Russia was also noted at the same time.

**EXPORT OF INDUSTRIAL FURNACES**

The Industrial Furnace Manufacturers Association has
furnished to the Committee a report of furnaces on order with its members for export sale. This information was furnished in connection with a request of the Committee to be kept in touch with foreign orders for factory equipment.

CHAS. HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.
January 5, 1940.

Dear Pa,

There is attached for the information of the President, Report No. 16, on the subject of "Foreign Inquiries for Production of Munitions."

Sincerely yours,

[Signature]

General E. M. Watson
Secretary to the President
The White House

Enclosure
MEMORANDUM FOR The Assistant Secretary of War

The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

January 3, 1940.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

FINLAND

The Government of Finland is still negotiating for the supply of 60,000 military gas masks. A number of difficulties have arisen and this order has not yet been placed. It has been definitely decided that the gas masks required cannot be furnished from the Army war reserve as such supply would be illegal and it will therefore be necessary that a commercial order be placed with deliveries several months in the future.

An order is in prospect for 300,000 high explosive shells for Stokes-Brandt mortars. This type of mortar is used in the Finnish Army and is normally produced in Finland on license from the Stokes-Brandt Company. The War Department has taken the view that the Government of Finland can procure Stokes-Brandt material in this country if a license is granted to an American firm by the Stokes-Brandt Company. Assistance was given the Finnish Government in establishing contact with the local representative of the Stokes-Brandt Company (Mr. Leech). It is understood from Mr. Leech that the Stokes-Brandt Company is sending him Power-of-Attorney to issue licenses to American firms to produce ammunition for the Government of Finland.

General Manner visited the War Department and asked whether the American 40-40 point detonating fuse can be adapted for the Finnish 76 mm shell. He was informed that the velocity range of the 76 mm gun is satisfactory for our type of fuse and was instructed to ask for release of the design in the usual manner. This request is being processed at the present time.
The Military Attaché has also informed the Committee of the excellent treatment given to the Government of Finland by the Remington and Winchester Companies. It seems that these two firms have not only quoted fair prices on small arms ammunition but have gone to particular pains to obtain deliveries desired by the Finns.

There have been handed to the Clearance Committee by the Chairman of the President’s Liaison Committee further requests from the Government of Finland for assistance on anti-aircraft machine guns and ammunition, specifications for Very Signal Lights, the army model of the hand grenade, anti tank guns and ammunition and anti aircraft guns and ammunition. These requests involve the release of army designs and while some of them have already been cleared the numbers have been reduced to such a point that a new consideration will be necessary in the War and Navy Departments.

HAITI

Arrangements were completed for the sale to the Government of Haiti of 2500 Enfield rifles, together with bayonets and spare parts. The original list of material from Haiti included other items but the decision of the War Department was that only the Enfield rifles can be sold at this time. These rifles were declared surplus under the provisions of the Act of June 5, 1920.

CHILE

A list of obsolete material at reduced prices is being prepared at the present time for transmission to the Government of Chile. For such of these items as may be desired by that Government surplus declaration will be made and sale completed under the Act of June 5, 1920.

CANADA

The Canadian Government asked advice concerning hydraulic fluids used in airplane installations. They were told to use the hydraulic fluids recommended by the manufacturer.

The Canadian Government is also asking for specifications on a Fairchild type of airplane. This was referred back to them with the request that the designation of the specifications desired by obtained from the government at Ottawa.
CHINA

Information received from the DuPont Company is that they have orders for the Chinese Government represented by the Criterion Trading Corporation in New York City for:

- 400 metric tons smokeless rifle powder
- 40 metric tons tetryl
- 3,000 short tons of T.N.T.

These orders were received on September 28 and they now advise that on December 28 they entered into another contract for an additional 75 metric tons of smokeless rifle powders to be delivered in June 1940.

GREAT BRITAIN

The British Embassy has furnished the Secretary of State with a statement of unfilled orders which have been placed in this country by the British Government. These orders are shown on the enclosure herewith.

IRAN

A despatch to the State Department indicates that the Government of Iran is considering the purchase of commercial explosives as follows:

- 1,300 tons dynamite
- 13,000,000 meters of fuse
- 13,000,000 detonators

This purchase has been discussed with the Hercules Powder Company but no order as yet has been placed. It seems that Iranian firms and official organizations are attempting to purchase explosives in the United States because of their inability to secure them from their usual European sources of supply.

AIRCRAFT CAPACITY

As shown in the following statement in dollars of the annual capacity of primary aircraft producers and in another column the current backlog of orders, it will be noted that the current backlog is still far short of the annual capacity for some of the firms listed and it will also be observed that for several firms the current backlog exceeds the annual capacity.
<table>
<thead>
<tr>
<th>Company</th>
<th>Annual Capacity</th>
<th>Current Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allison</td>
<td>$24,000,000</td>
<td>$17,500,000</td>
</tr>
<tr>
<td>Aviation Mfg.</td>
<td>36,000,000</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Bell</td>
<td>10,000,000</td>
<td>7,500,000</td>
</tr>
<tr>
<td>Boeing</td>
<td>22,000,000</td>
<td>26,000,000</td>
</tr>
<tr>
<td>Consolidated</td>
<td>49,000,000</td>
<td>17,500,000</td>
</tr>
<tr>
<td>Curtiss-Wright</td>
<td>130,000,000</td>
<td>120,000,000</td>
</tr>
<tr>
<td>Douglas</td>
<td>96,000,000</td>
<td>79,000,000</td>
</tr>
<tr>
<td>Grumman</td>
<td>12,000,000</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Lockheed</td>
<td>48,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Martin</td>
<td>60,000,000</td>
<td>62,000,000</td>
</tr>
<tr>
<td>North American</td>
<td>48,000,000</td>
<td>41,800,000</td>
</tr>
<tr>
<td>Republic</td>
<td>10,000,000</td>
<td>10,200,000</td>
</tr>
<tr>
<td>United Aircraft</td>
<td>96,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Others</td>
<td>26,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$764,000,000</strong></td>
<td><strong>$533,000,000</strong></td>
</tr>
</tbody>
</table>

For the Clearance Committee, Army and Navy Munitions Board.

CHAS. HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.

Incl. - 1

DECLASSIFIED
E.O. 11652, Sec. 3(B) and 5(D) or (E)
OSD letter, May 6, 1972

CONFIDENTIAL

MAY 21, 1973
Statement of unfilled orders placed by the United Kingdom Government in the United States up to December 31, 1939, for supplies for military or naval use through or with the knowledge of the British Supply Board in Canada and the United States and the British Purchasing Commission in the United States.

<table>
<thead>
<tr>
<th>NAME OF CONTRACTOR</th>
<th>DESCRIPTION</th>
<th>APPROX. VALUE</th>
<th>DELIVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADMIRALTY ORDERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portable Light Co. Inc., New York</td>
<td>Signal Lamps with &amp; Bulbs</td>
<td>325; 6,000</td>
<td>Immediate</td>
</tr>
<tr>
<td>Bausch &amp; Lomb Optical Co., Rochester, N.Y.</td>
<td>Binoculars 7x50</td>
<td>1,000; 75,000</td>
<td>Jan. to June/40</td>
</tr>
<tr>
<td><em>Contractors not known</em></td>
<td>Motor Boat Engines</td>
<td>1,000 H.P. approx.</td>
<td>900,000;</td>
</tr>
<tr>
<td><em>Not placed directly but by Admiralty contractors.</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MINISTRY OF SUPPLY ORDERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midvale Co., Philadelphia, Pa.</td>
<td>Gun Barrels 3.7 in, Mk II</td>
<td>50; 168,000;</td>
<td>April to June/40</td>
</tr>
<tr>
<td>E.W. Bliss &amp; Co., Brooklyn, N.Y.</td>
<td>Shells 6&quot; H.E. empty</td>
<td>50,000; 800,000;</td>
<td>Nov/39 to about Oct/40</td>
</tr>
<tr>
<td>Sperry Gyroscope Corp., Brooklyn, N.Y.</td>
<td>Predictors 3.7 in.</td>
<td>205; 12,800,000;</td>
<td></td>
</tr>
<tr>
<td>Martin Parry Corp., York, Pa.</td>
<td>Bugler Adaptor sets Various spares</td>
<td>2,428; 1,340,000;</td>
<td>Dec/39 to Mar/40</td>
</tr>
<tr>
<td><strong>AIR MINISTRY ORDERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lockheed Aircraft Corp., Burbank, Cal.</td>
<td>Airplanes, Reconnaissance</td>
<td>250; 20,700,000;</td>
<td>Completed Dec/39</td>
</tr>
<tr>
<td>North American Aviation, Inc., Inglewood, Cal.</td>
<td>Airplanes, Trainer</td>
<td>400; 12,600,000;</td>
<td>Completed Dec/39</td>
</tr>
<tr>
<td>North American Aviation, Inc., Inglewood, Cal.</td>
<td>Airplanes, Engines, Airplane spare</td>
<td>(600); (30,000,000);</td>
<td>(Aug/41)</td>
</tr>
<tr>
<td>Wright Aeronautical Corp., Paterson, N.J.</td>
<td>Engines GR-1820, GR-2600</td>
<td>(600); 22,400,000;</td>
<td>Mar/40 to Feb/41</td>
</tr>
<tr>
<td>J.V.W. Corporation</td>
<td>Link Trainers &amp; Spares</td>
<td>not known</td>
<td>not known</td>
</tr>
<tr>
<td>Coleman, Querk &amp; Petersen</td>
<td>Petrol Lamps &amp; Accessories</td>
<td>not known</td>
<td>not known</td>
</tr>
<tr>
<td>Lockheed Aircraft Corp., Burbank, Cal.</td>
<td>Airplanes, Reconnaissance</td>
<td>200; 20,800,000;</td>
<td>Feb. to Nov/40</td>
</tr>
</tbody>
</table>

HOC: EG

CONFIDENTIAL

DECLASSIFIED

E.O. 11652, Sec. 3(E) and 6(D) or (E)
OSD Letter, May 3, 1972
By RT, MAY 21, 1973
January 19, 1940

Dear Pa,

Herewith is Report No. 19, on the subject of "Foreign Inquiries for Production of Munitions" for the information of the President.

Sincerely yours,

[Signature]

General E. M. Watson
Secretary to the President
The White House

Enclosure
MEMORANDUM FOR The Assistant Secretary of War
   The Assistant Secretary of the Navy
   The Deputy Chief of Staff
   The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

FINLAND

In the last report it was noted that action has been approved covering the release for negotiation for foreign sale of a number of Ordnance items. At the present time prospective bidders on these items are visiting the office of the Chief of Ordnance to obtain enough information on which to base bids. When contracts are finally awarded by the Finnish Government more complete information will be furnished to the successful bidders.

According to recent cables from Finland there is now an interest in obtaining some heavy field Howitzers of about 8" caliber and for the ground type caliber .50 machine gun which can be used against tanks. The Finnish Purchasing Commission has asked that these items be included in a request to visit Aberdeen Proving Ground for the purpose of inspecting equipment which they propose to procure in this country.

CANADA

The Canadian Legation has furnished the Committee a statement of the orders placed by Canada in this country.

UNION OF SOUTH AFRICA

The Legation of South Africa is inquiring for sources for 3,000 field glasses. The names of the usual suppliers of field glasses and of four or five other firms who might be interested in converting to such production have been supplied to the South African Legation.
The Legation also advises that negotiations are completed with the Smith & Wesson Company for the supply of approximately 8,000 Smith & Wesson revolvers.

SWEDEN

It is understood that a new Swedish Purchasing Mission is coming to this country but the exact nature of its mission is not yet known. There is already a Swedish Aircraft Mission in the United States.

GREAT BRITAIN

The Martin-Parry Corporation, York, Pennsylvania, has in progress an order for the British for 2400 Buquor adaptors, some of which are for 18-pounder carriages and some for the 4.5" howitzer carriage. The information is that weekly deliveries of between 50 and 100 units are being accomplished and that the contract is likely to be completed within the next two weeks.

It has been learned from the representative of the Atlas Powder Company that the British have contracted for the remaining capacity in the T.N.T. plant of that company located at Joplin, Missouri. This plant has a capacity of 1,000,000 lbs. a month, of which 800,000 lbs. are being used for United States orders. The British order is therefore for 200,000 lbs. a month beginning in March, 1940. The total order is 2,000,000 lbs. with an option for 2,000,000 lbs. additional, all to be delivered by December 31, 1941. It is also understood that the British are negotiating with this company for two additional T.N.T. units which will each develop a capacity of 750,000 lbs. a month.

The E. W. Bliss Company has received an order from the British Government for cartridge case manufacturing machinery of a total value in excess of $2,200,000.

FRANCE

Inquiries are still in progress for the supply of 500 75 mm gun tubes and 100 155 mm tubes. This requirement has been mentioned before and the new information obtained from the Carnegie-Illinois representative is that they are also inquiring for 90 mm
gun tubes. It is understood that the Mitchell Steel Company of
Cincinnati, and the Driggs Engineering Corporation are two of the
firms which have been approached.

The E. W. Bliss Company of Brooklyn, New York, has
received the following order from the French Government:

100 Torpedo Flasks
100 Torpedoes complete, including flasks.

SAFETY RULES

The Committee has taken cognizance of the fact that some
of the contractors who are proposing to undertake ammunition pro-
duction may have difficulties in conducting safe operations, either
because of lack of knowledge or inadequate facilities. A Staff
Study has been undertaken to determine what measures should be
recommended to contractors, to the foreign governments concerned,
and the necessary warnings to states in which plants are located
or are to be created. It seems probable that the requirements of
the Ordnance Safety Manual will be recommended to all concerned
as a basis for safety measures. In this connection it is inter-
esting to note that only six states have adequate explosives laws.
As noted above, this study on safety has been undertaken because
it is felt that the public interest should be fully protected
against any chances of disastrous explosions caused by lack of
proper technical arrangements.

SAVAGE ARMS CORPORATION

Confirmation has been received that the Savage Arms
Corporation has an order for 10,000 Thompson Submachine guns from
the Auto Ordnance Corporation. This contract included an option
for the production of 5,000 additional. A representative of the
firm who visited the office informed the Committee that the French
have informally approached the Corporation with the view to another
order for these guns. It will be recalled that 3,000 guns were
sold to the French some months ago. These guns have not yet been
exported and are said to be stored at their point of manufacture
in Hartford. It is of interest to note that a letter containing
an inquiry from the Italian Government for Thompson submachine guns
was showed to the Committee a few days ago by a representative of
the Corporation.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
by RT, HARS Date

MAY 21 1973
REMENUHON ARMS COMPANY

The State Department was advised by the Remington Arms Company that they have decided to reorganize their facilities in such a way that a limited number of military rifles can be produced for export sale. The Company does not intend to solicit business of this sort but they advise that the government might feel free to inform any other government which inquires whether military rifles can be purchased in the United States, that Remington would be able to supply a limited number of such rifles.

VISITS OF PROSPECTIVE CONTRACTORS

The Committee is being visited by many representatives of commercial firms who are seeking business with foreign governments. These gentlemen are being referred to the proper legations or to the Anglo-French Purchasing Board. Much information is being obtained from these representatives and placed in our files. All of these representatives have shown the greatest cooperation in making their operations conform to what is wanted by the government. In every case they state that insofar as their corporations are concerned the needs of the United States Government take precedence over any commitment for foreign governments.

CHAS. HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 5, 1972
by RT, MARKED MAY 21 1973
MEMORANDUM FOR

THE SECRETARY OF WAR

This is not at all what I asked for.

I know all about existing rail connections -- Harpers Ferry, Norfolk, etc. -- also about possible locations for new bridges to connect the north and south across the Potomac River.

Let me put the question this way: A sudden attack is made on W plus 30 day, either by a foreign enemy or by a sudden domestic uprising. This attack requires the immediate movement of troops, equipment and supplies on a large scale from the northeastern seaboard section into the State of Virginia. The present railroad bridge in Washington is bombed or in part blown up, requiring repairs which would take at least ten days. The question is this -- can the Army, by using District of Columbia streets either from the northeast section or from the Georgetown section, lay tracks across the Memorial Bridge or the Georgetown Bridge to the Virginia side and from that side connect up with the main line of the R. P. & P. in the neighborhood of the new airport? This involves an answer to the question -- can such land connections be made on the Washington side and the Virginia side and can the two existing highway bridges carry freight cars and small artillery?

F. D. R.

Letter from the Secretary of War, 3/5/40 to General Watson, stating that, in compliance with the General's memo of 1/26/40, he has had a study made of the railroad bridges across the Potomac. Encloses Strategic Map, Gettysburg Sheet, and U.S.G.S. Maps as follows: Washington & Vicinity, Indian Head, Brandywine, Mt. Vernon, Noahini and Fredericksburg. The Secretary of War submits information in re above.
THE ASSISTANT SECRETARY OF WAR
WASHINGTON
March 22, 1940.

Dear Pa,

I am enclosing Reports No. 28 and No. 29, on the subject of "Foreign Inquiries for Production of Munitions" for the information of the President.

Sincerely yours,

[l signature]

General E. M. Watson
Secretary to the President
The White House

2 enclosures
Report No. 28.

MEMORANDUM FOR: The Secretary of War
The Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

GREAT BRITAIN

Information has been received that an order has been placed for 448 Thompson Submachine Guns.

From the Aeronautical Board, it has been learned that 150 DB7B airplanes with model 2600ASA engines have been ordered from Douglas Aircraft Company. There is an option for 150 additional airplanes. Deliveries are to begin in October, 1940 and be completed in eight months. The option is for 30 a month beginning in July, 1941.

Henry Diston & Sons of Philadelphia has furnished information that the British Purchasing Commission is inquiring for machineable homogeneous armor plate, heat treated but not fabricated. The quantities range from 2,500,000 lbs. to 7,400,000 lbs. The Company also states that if this results in an order for them they will arrange that it does not interfere in any way with United States Government orders.

Permission has been granted for certain British nationals to visit plants in the United States which have received British orders.

FINLAND

From the Acme Protection Equipment Company information has been received that 1,000 horse masks and 4,000 horse boots which
were ordered sometime ago for Finland have been actually exported. This firm now has inquiries from Denmark and Holland for material of the same type.

**CANADA**

Confirmation of an order for 200 600-lb. bombs and 50 1100-lb. bombs with U. S. Ordnance Engineers, Inc., has been received.

The Canadian Minister has advised that the Anglo-French Purchasing Board under the Chairmanship of Mr. Arthur B. Purvis, is acting for the Canadian War Supply Board in respect to purchases in the United States for the Canadian Defense Services.

**NORWAY**

An order has been placed for 36 A8 attack planes with G105-B engines. It seems that Norway is to furnish the engines and it is thought they are to be transferred from a British contract.

The Norwegian Legation has furnished a statement of the orders in the United States. This includes both military and commercial orders.

**SWEDEN**

The Swedish Trade Delegation has furnished a list of the orders already placed by it. This list includes binoculars, M600 lungs, caliber .45 ammunition, wire and cable, gas masks, telenal, 9 mm cartridges and motor benzol. The principal remaining negotiation of the Trade Delegation is for tanks and it is understood that representatives have been authorized to go to the American Car and Foundry Company to inspect the plant.

**UNION OF SOUTH AFRICA**

The South African Legation has furnished another statement of orders placed in this country in the recent past. The principal item is 16 airplane engines valued at $225,000.
# EXPORT OF AIRCRAFT

A revised compilation of export of aircraft has been made. The following is a résumé of the situation:

<table>
<thead>
<tr>
<th>Year (January)</th>
<th>Quantity</th>
<th>Value</th>
<th>Quantity</th>
<th>Value</th>
<th>Quantity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939</td>
<td>1285</td>
<td>$65,652,383</td>
<td>236</td>
<td>$9,026,914.75</td>
<td>1825</td>
<td>$14,598,611.37</td>
</tr>
<tr>
<td>1940</td>
<td>227</td>
<td>17,693,481</td>
<td>14</td>
<td>311,025.00</td>
<td>343</td>
<td>3,294,162.50</td>
</tr>
</tbody>
</table>

For the Clearance Committee, Army and Navy Munitions Board:

CHARLES HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.

DECLASSIFIED
E.O. 11852, Sec. (N) and (S) or (R)
OBD letter, May 8, 1972

CONFIDENTIAL

RT

MAY 21 1973
MEMORANDUM FOR: The Secretary of War
     The Secretary of the Navy
     The Assistant Secretary of War
     The Assistant Secretary of the Navy
     The Deputy Chief of Staff
     The Chief of Naval Operations

SUBJECT: Foreign Inquiries for Production of Munitions

1. In accordance with instructions to submit from time to time a brief report on foreign inquiries for military equipment, the following notes are made:

FINLAND

The Finnish Legation has furnished detailed information on 51 contracts up to February 1, 1940. These contracts total $7,188,000, and include the orders placed by the Finnish Purchasing Commission in Washington for military or naval supplies. It will be recalled that there is another Finnish Purchasing Commission in New York with activities restricted to the purchase of articles which can be bought with Export-Import Bank money.

The Finnish Military Attaché asked for another priority on supply of smokeless powder. The request was for 1500 tons but it was found necessary to deny this request, because a concession of 600,000 pounds already made to the Finnish Government is all that can be spared by the War Department at the present time.

SWEDEN

The Swedish Purchasing Commission has departed from Washington and it is understood that Prince Bertil sailed from New York on March 16th. An office is to be maintained in New York to supervise the execution of contracts placed by the delegation.

Action is in course to sell to the Swedish Government 200 75 mm British guns and 32 8-inch howitzers. These are to be furnished from the list of surplus property recently approved by the Secretary.
of War. In connection with the disposal of this surplus property the Secretary of State and the Secretary of War have agreed to a procedure whereby the views of the State Department concerning policy involved in such armament sales are to be obtained before final action of the War Department.

CHILE

The Special Ambassador, Mr. Bianchi, visited the Secretary of War and stated that his government is interested in buying some of the surplus armament. Conferences have been held with him and a list of the property with its prices furnished for his consideration.

In addition to the surplus property the Chileans are also interested in placing orders with American manufacturers for items not included on the surplus list which are needed for the modernization of the Chilean Army.

FRANCE

Mr. Bloch-Laine, the senior French member of the Anglo-French Purchasing Board, made a formal request to purchase rifles from surplus stock. It was necessary to deny this request because it is contrary to International Law.

Information is reaching G-2 of movement of arms and ammunition for the French Government. These reports are being furnished by Colonel Jean of the Anglo-French Purchasing Board. It is noted that caliber .45 ammunition on a Winchester order at the East Alton, Illinois plant began moving on March 15th and other shipments from the Remington plant, Bridgeport, began their movement on March 12th.

A rumor has been received that the Anglo-French Purchasing Board has placed an order for 12,000,000 point detonating fuzes. Confirmation of this order is being sought.

NETHERLANDS

The Netherlands Legation has transmitted a statement of new orders placed as follows in the month of February:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>Nickel silicon discs for manufacture of helmets with U. S. Steel Export Company.</td>
</tr>
<tr>
<td>36,000</td>
<td>Lbs. copper bands</td>
</tr>
<tr>
<td>103,000</td>
<td>Lbs. brass cups (American Brass Company)</td>
</tr>
<tr>
<td>287,000</td>
<td>Lbs. brass discs</td>
</tr>
</tbody>
</table>
They also advise that they expect to place orders in the near future for 1 electric steel furnace, 505,000 kgs. chrome molybdenum steel bars, 450,000 kgs. chrome nickel steel bars, 100,000 brass discs, 502,000 copper bands, 210 gun forges and 4 lathes. All of these orders, either placed or to be placed, are for the Royal Netherlands Arsenal and are stated to be for consumption in the Netherlands.

ANGLO-FRENCH REQUIREMENTS FOR AIRCRAFT

On March 14, 1940, a conference of War and Navy Department representatives with the principal members of the Anglo-French Purchasing Board was held in the office of Captain Collins, Treasury Department. The subject of this conference was the aircraft requirement under the greatly expanded program now being considered by the allies. It was explained by Mr. Plevin, the French aeronautical representative, that the large program now under consideration is aimed at the year 1941 and that consequently the chief interest at the present time is in obtaining the release of our very latest equipment, including superchargers never heretofore released, and models of airplanes still in the experimental stage. Mr. Plevin presented a memorandum covering the request for releases and this memorandum is being studied in the War and Navy Departments at the present time.

The Anglo-French Purchasing Board has also begun to consider its requirements for armament for the airplanes and has submitted a tentative estimate of a number of small cannon and machine guns which will be required for the expanded program. A conference is being held within the next few days with representatives of Colt's Patent Fire Arms Manufacturing Company to develop a basis for possible supply of these requirements.

REMINGTON ARMS COMPANY

The Remington Arms Company is keeping us informed of numerous inquiries for small arms ammunition. Many of these inquiries seem to be coming from brokers and individuals and the Company is uniformly declining to quote for the reason that it will deal only with accredited representatives of foreign governments.

For the Clearance Committee, Army and Navy Munitions Board:

CHARLES HINES,
Colonel, U. S. Army,
Chairman, Clearance Committee,
Army and Navy Munitions Board.
<table>
<thead>
<tr>
<th></th>
<th>Douglas</th>
<th>Martin</th>
<th>Curtiss</th>
<th>Pratt &amp; Whitney Engines</th>
<th>Spares</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
<td>92</td>
</tr>
<tr>
<td>June</td>
<td>1</td>
<td>20</td>
<td>54</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2</td>
<td>25</td>
<td>30</td>
<td>86</td>
<td>23</td>
</tr>
<tr>
<td>August</td>
<td>7</td>
<td>35</td>
<td></td>
<td>100</td>
<td>25</td>
</tr>
<tr>
<td>September</td>
<td>15</td>
<td>35</td>
<td>30</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>15</td>
<td></td>
<td></td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>November</td>
<td>20</td>
<td></td>
<td>50</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>25</td>
<td></td>
<td></td>
<td>60</td>
<td>10</td>
</tr>
<tr>
<td>1940</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>February</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>
Utilities Estimates Based on 8,000 Workmen

Sewage Disposal

Sewage Disposal Plant, (based on a local WPA Project) of similar size.

Main Outfall 24", 7,200 lineal feet at $3.50 per Ft.
Branch Mains, 12" down to 4" at average of $1.30 per Ft.

Water Supply

Wells - 2, 2,500 gallons per minute at $10,000
Main - average Dia. 12" pipe at $3.00 per lineal foot
Branches, 8000 lineal feet at $ .75 average cost per foot

Storm Sewer System

1,000 lineal feet 30" outfall at $25.00 per lineal foot
3,500 lineal feet 12" dia. at $1.60 per lineal foot

Concrete Aprons, Roads, Walks, etc., 63,000 square yards at $2.25 per square yard,

Railroad Siding

1 Mile including switches, etc., at $22,000

Heating Plant

4,500 Boiler horsepower at $105.00 per hp. Based on 300 Sq.Ft. of floor space per horsepower and including building
Main Distribution line 16" Dia. 900 lineal feet at $6.00
Branch Distribution line 10" Dia. Average, 10,000 lineal ft.
at $3.00
Heating Units within the area included in the Bldg. Cost
Total for Heating Plant

Natural Gas Main 10,000 lineal feet 4" at $1.50

Electrical Equipment

Transformers and Switching Equipment based on $4.50 per K.W. 10,000 K.W. Power
5,700 K.W. Lighting
15,700 K.W. at $4.50

Lighting based on 500 watts per 100 sq. ft. average
Electrical Distribution to Equipment, including panels, switching equipment, conduit, wiring, approximately 100,000 lineal feet at $1.00 per foot average
TELEPHONE SYSTEM

11,200 lineal feet trunk cable, distribution board  
200 telephones, etc., at $4.00 per foot  
$4,800.00

Fence

6,000 linear feet of 9' non-climbable Type at $3.50  
$21,000.00

Plant Protection

Fire and Guard, Automatic Fire Alarm System, etc.  
$75,000.00

Gasoline Storage for 100,000 Gallons, Pipe & Service Pits  
$40,000.00

TOTAL  
$1,234,550.00
EXHIBIT "B"

SQUARE AREA AND CUBIC CAPACITY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental - Sheet Metal</td>
<td>325,000</td>
<td>8,775,000</td>
<td>$1,316,250.00</td>
</tr>
</tbody>
</table>

| Sub Assembly Section            |        |        |               |
| 3-story factory for production of contributory items | 99,000 | 4,554,000 | 1,138,500.00 |

| Final Assembly                  |        |        |               |
| Factory Raw Stock Storage       | 21,000 | 525,000 | 78,750.00     |
| Foundry                         | 23,000 | 575,000 | 86,250.00     |
| Pattern Shop                    | 12,500 | 312,500 | 46,875.00     |
| Purchased Parts Storage         | 18,000 | 450,000 | 67,500.00     |
| Warehouse for Jigs, Fixtures, Dies, et cetera | 40,000 | 800,000 | 120,000.00 |
| Paint, Oil & Dope Storage       | 5,000  | 75,000  | 11,250.00     |
| Office, 2-story & basement      | 17,000 | 782,000 | 273,700.00    |
| Total                           | 1,125,500 |    | $7,009,075.00 |

| 198,000 | Extra floor space in multi-story Bldg. | 232,000 | Utilities | $1,234,550.00 |
| 232,000 |                                            | 1,357,500 | QMG Overhead | $8,243,625.00 |

| 5%      |                                            | 412,181.25 | $8,655,806.25 |

Basis for estimate - experience of costs for similar structures at Wright Field and Sacramento Air Depot
FULLY FORWARDED TO THE PRESIDENT.

E. M. W. [Signature]
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is Report No. 68 on the subject of Foreign Inquiries for Production of Munitions.

Robert P. Patterson,
Under Secretary of War.

Respectfully forwarded to
The President.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is
Report No. 68 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

A request has been received for additional 3-inch naval guns. Other requests have been received in the past for 4-inch naval guns and it is evident that these 3-inch guns now requested are intended to arm merchant vessels for which 4-inch guns could not be obtained.

Action has been taken to make available to Australia a sufficient number of drawings of the M-3 tank to serve as a basis for the design of a tank. The Australians intend to construct tanks in Australia, and apparently have sufficient industrial development to undertake such a project.

A proving ground site at Waretown, New Jersey, about twenty (20) miles from Atlantic City, is being studied at the present time. A firm called the McCreasin Engineering Corporation is undertaking the development of this proving ground. It has been learned that the British are also interested in limited facilities at Canton, Ohio (Republic Steel Company), Indianapolis, Indiana (Harmon-Harrington Company) and York, Pennsylvania (York Safe & Lock Company). These limited facilities are intended for such testing of ammunition, guns, carriages and armor plate as may be safely carried out in such installations.

Investigation reveals that apparently the 20 mm Hispano-Suiza gun slated for production in this country by the British is not exactly like that to be produced for the United States by the Bendix Company. Efforts are being made to have the design of this gun conform to that to be produced for the United States because of the necessity for standardization.

In a previous report mention was made of a need by the British for 37 mm powder. They asked for priority for a supply of eighteen (18)
tons a month for the next six months. The source of this powder is the Hercules Powder Company which is creating a new plant at Kenvil, New Jersey to take the place of the plant destroyed a few months ago. This new plant cannot possibly begin production before January 15th. Conferences have been held with the Hercules Company to determine how the problem of supplying both British and American requirements can be solved. It seems probable that an equitable division of the available capacity can be arranged.

Approval for priority for a supply of tetryl has been granted. The situation in the United States is very satisfactory with respect to this item and it was, therefore, easy to grant the British request without detriment to the United States loading program.

Mention has been previously made of a request by the British for one hundred (100) light tanks. Action is being presented to the Chief of Staff to furnish only sixty-six (66) tanks as it was decided by him that none would be taken from the Armored Corps.

The modification of one B-17C airplane is proceeding at the Boeing Aircraft Company. A complication has arisen in the project to turn over twenty (20) B-17C airplanes to the British because of the necessity of training British crews. Efforts are being made to work out a legal solution for this problem as it is obvious that the British crews must be trained before they take over these valuable airplanes.

BELGIUM

For the Belgian Congo, the Belgian Ambassador has asked that two hundred and twenty-five (225) 60-inch mortars be furnished from U.S. stocks or that a priority be granted for their manufacture. There are no surplus 60-inch mortars in stock, but consideration is being given to an indication of sources where these mortars can be procured. The Ambassador also asked that the mortars be proof fired by the United States. In this connection, he has negotiated for the supply of eighteen (18) 81 mm mortars and the names of two companies have been furnished to him. Recently, the War Department offered seventy-one hundred (7100) Enfield rifles in response to another request.

NORWAY

The Norwegian Legation has renewed its request to be furnished with twenty-four hundred (2400) rounds of 4-inch naval ammunition to equip Norwegian merchant vessels. It will be recalled that twenty-one (21) surplus 4-inch naval guns were furnished, but that it was possible to give them only a small quantity of ammunition. The Norwegian total requirement for this ammunition is being considered by the British and it is probable that there will eventually be a procurement order by the British covering this ammunition for both the Empire and the Allies.
CHINA

The Chinese Military Attache has asked whether one hundred and twenty (120) 75 mm guns and ammunition for them can be supplied from U.S. Army stocks. It has been necessary to state that there is no surplus and that it will require about a year to procure from manufacturers.

GREECE

Both the British Purchasing Commission and the Greek Legation have presented Greek requirements. The British seem to be mainly interested in getting for them twenty (20) mountain guns and three thousand (3000) rounds for each gun, and have been asking if these can be supplied from surplus stocks. There is no surplus of this item.

The Greek Legation has asked the State Department for the followings:

- 10,000 rounds 57 mm Shells
- 40,000 rounds 75 mm Schneider Mountain guns
- 10,000 rounds 105 mm Schneider Howitzers
- 10,000 rounds 155 mm Schneider Howitzers

Of the above items the Navy Department has available some 57 mm obsolescent ammunition. This is for the old Navy six pounder. The War Department has nothing resembling the 75 mm or the 105 mm Schneider ammunition, but, of course, the 155 mm Schneider is a standard for the U.S. Army. There is, however, no 155 mm Howitzer ammunition which can be considered surplus.

THAILAND

An offer is being made to the Thailand Minister covering the ten (10) airplanes, the property of that government, now detained at Manila and for six (6) additional airplanes in production in the United States. Negotiations for these airplanes have dragged because of the necessity of working out certain claims which the Thailand Government presented in connection with the transaction. It seems probable that an early decision will be reached which will enable the United States to take over these airplanes.

For the Clearance Committee, Army & Navy Munitions Board:

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman.

CONFIDENTIAL
RESPECTFULLY FORWARD TO THE PRESIDENT:

E.E.W.

F. M. W.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is Report No. 69 on the subject of Foreign Inquiries for Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
REPORT
No. 49

ARMY AND NAVY MUNITIONS BOARD
WASHINGTON, D.C.

January 14, 1941.

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

On behalf of Canada, the Commission is asking for forty-eight (48) 3-pounder naval guns for the equipment of fast motor launchers of the crash boat type for use on the east and west coasts in conjunction with the Canadian Navy and Air Force. This request is being handled by the Navy Department and it is not known as yet whether the guns referred to will be furnished.

An export license on hand indicates that 336 caliber .50 Aircraft machine guns are destined for the Straits Settlements. Reference has been made in previous reports to other items being sent from this country to this destination.

It is noted also that six hundred (600) cast armor plate turrets for tanks and ninety thousand (90,000) forgings covering seventeen (17) parts for the Hispano-Suiza gun are due for export to English factories.

A request to ferry all of the B-17C airplanes to the Boeing factory for modification has been approved. This means that all twenty (20) of these ships will go to the factory for installation of Sperry equipment rather than having it done at the Sacramento Air Depot. The British also asked that leak-proof tanks and armor plate be installed on these ships, but the delay to accomplish this would be so great as to defeat the purpose of early delivery of the twenty (20) ships concerned.

A complication in connection with the B-17C deal has been met in the project to deliver bombs equal to three months operations. The Brit-
tish are not moving fast enough in asking for the bombs and the intermediaries are at a standstill, pending final instructions from the British and the turn-over of the necessary funds to cover the bombs. It is apparent that this delay is caused by a difficulty in finding the funds to finance the purchase of the bombs. In this connection, it should be remarked that many of the British procurement negotiations seem to be at a standstill until the Lease-Lend Bill is handled by the Congress.

A request was received for nine (9) additional B-24 4-engined bombers. The War Department is attempting to secure in exchange for these bombers approximately two hundred thirty (230) engines suitable for 4-engined bombers.

The Navy Department is making available to the War Department for sale to the British one hundred fifty (150) 4-inch naval guns, together with 7,500 rounds of ammunition. These guns are stated to be needed for the British merchant marine.

An export license for three (3) Lockheed Electra planes, model 10-5 indicates that the British Purchasing Commission is still buying second-hand transport planes. They paid $30,000 each for these planes and the deal was handled by Charles H. Babb Company, a brokerage firm. This company has, in the past, handled the purchase of a considerable number of second-hand planes for British account.

There is attached herewith a summary of the orders placed by the British Empire through December 28, 1940. It will be noted that the grand total is $2,291,733,821.49.

CHINA

Ordnance requirements for China have now been received. They consist of the following:

- 10,000 Light machine guns 7.9 mm
- 300,000,000 7.9 mm cartridges
- 120 75 mm mountain guns
- 360,000 75 mm shell for these guns
- 120 Caliber .50 A A machine guns
- 600,000 Caliber .50 cartridges.

The total of this request is estimated to be $30,000,000. The Chinese have asked what part can be supplied from our stocks and if nothing can be supplied, they desire to know the names of the manufacturers. It seems improbable that any of the items desired can be furnished from

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 8(D) or (G)
OSD letter, May 4, 1941

MAY 24 1973

CONFIDENTIAL
stocks, as these are all items where shortages exist in reserves for the current national defense program.

The Chinese have also ordered 1000 tons of T.N.T. This order is placed with the DuPont Company and represents the output of a production line at Barksdale, Wisconsin, which was largely created on previous Chinese orders.

FINLAND

The Finnish Military Attache advises that he has sold 156,500 81 mm trench mortar projectiles on order with Triumph Explosives, Incorporated. The sales were as follows:

- 65,000 to the Dutch East Indies
- 91,500 to the Greeks

He also states that he still has 30,000,000 rounds of his order of 7.62 mm ammunition with the Winchester Company, which has not yet been sold. He was asked whether he has approached the Chinese to buy this ammunition and has replied that the Chinese make their own Russian cartridges and have no interest in this stock. The Netherlands Indies, however, is interested in taking this ammunition and it has been learned that four hundred fifty (450) Hotchkiss machine guns have been obtained, and that new barrels will be made for them by the Savage Arms Company. The Finnish Legation has had to adopt this devious method of disposal by securing machine guns in order to dispose of the ammunition. When this ammunition is finally sold, the Finnish commitments in this country for ammunition will have been completely liquidated.

For the Clearance Committee, Army and Navy Munitions Boards:

[Signature]

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (F)
OSD letter, May 12, 1972
by RT, NARS Date
Respectfully forwarded to the President.

E.M.W.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House

Enclosed for the information of the President is Report No. 70 on the subject of Foreign Inquiries for Production of Munitions.

Henry L. Stimson
Secretary of War
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House

Enclosed for the information of the President is
Report No. 70 on the subject of Foreign Inquiries for
Production of Munitions.

Secretary of War.
ARMY AND NAVY MUNITIONS BOARD
WASHINGTON, D.C.

January 22, 1941

Report No. 70

MEMORANDUM TO: The Secretary of War
                The Secretary of the Navy
                The Under Secretary of the Navy
                The Assistant Secretary of War
                The Assistant Secretary of the Navy
                The Deputy Chief of Staff
                The Chief of Naval Operations

SUBJECT: Foreign Inquiries for Production of Munitions.

I. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

At the request of the War Department, the route sheets and drawings for the 40 mm Bofors anti-aircraft gun have been obtained. The drawings of the ammunition are yet to be supplied. The British are furnishing the information on this gun because of the Army’s interest in its possible manufacture in this country. The Bofors 40 mm gun enjoys a high reputation for effectiveness against low flying aircraft.

In previous reports, mention has been made of the conversion of twenty (20) B-17C airplanes, destined for final delivery to the British, at the plant of the Boeing Aircraft Company. The last airplane will be delivered to the Boeing plant on February 12th and the job of conversion will be completed in twenty-eight (28) working days after the tenth plane is delivered. The first plane was completed on January 11th. About a dozen changes requested by the British are being made, but all of these changes can be accomplished in the over-all time noted above.

Most of the large British procurement projects are at a standstill for lack of money, and will so remain until the Lend-Lease Bill receives the approval of Congress. Preliminary Negotiation Reports continue to be received in considerable numbers and are being cleared for procurement as rapidly as possible.

The following items are in the course of transfer from the Navy Department to the War Department for supply to the British through an intermediary:
150 4-inch Naval guns
30,000 4-inch shells
300 3-inch Naval guns
18,000 3-inch shells.

Staff action has been completed to allow the British to obtain thirty-six (36) light tanks from the American Car & Foundry Company. The original request was for one hundred (100) of these tanks, but it was found practicable to give them only the undelivered tanks on the current Army order. It is expected that an order for two hundred and sixty (260) of these light tanks will be placed by the British in the near future, when money becomes available.

Approval has been given for the export of the M-3 light tank drawings to Australia. The Australians expect to manufacture tanks and desire our designs as a point of departure. In last week's report, reference was made to an approval for export of the M-3 medium tank drawings which will also be produced in Australia.

Early in December, arrangements were made to allow the British to use the Aberdeen Proving Ground for a limited period until they can develop facilities for themselves. The original authority included only armor plate, but it has since been found necessary to extend it to ammunition components. The extension was to February 1st, but from present indications it will be necessary to extend it still further, possibly until March 1st.

Action is being taken to furnish fifty (50) 4-inch Naval guns to Canada. The York Safe & Lock Company will act as intermediary in this transaction. The guns will be overhauled in Canada and used on escort vessels being fitted out at Canadian naval bases.

Action has also been completed to make available to Canada eight (8) 10-inch guns with ammunition (from our harbor defenses), 20,000 Enfield rifles, and twenty-five (25) 37 mm tank guns suitable for the Renault tanks turned over to Canada some months ago.

The Canadians are now supplying their progress reports on production in Canada. These have been found to be very complete and are valuable to the War Department to indicate demands on the United States for assistance in carrying out the procurement.

Request has been received to make available any remaining Lewis aircraft machine guns in stock. There still remain several hundred of these guns in overseas departments. All stocks in the United States were turned over to the British last June. The type is obsolete and it is probable that the remaining guns and their spare parts will be made available to the British.
The British have supplied to G-2 a list of plants in this country which have munitions orders from them. This list is needed for protection studies.

Within the last few days a conference has been held with the British to standardize the ammunition for the 20 mm Hispano-Suiza gun. It seems probable that the British model of this ammunition will be produced in this country.

Two months ago, the War Department in response to an urgent British request offered 10,000 6x30 binoculars on an exchange basis of one for one. These were reconditioned binoculars, in serviceable condition. The British were unwilling to accept this proposal and have made a counter-proposal of 350 for 1000, that is, they will give us later from an order with Bausch & Lomb 550 new binoculars for each 1000 old binoculars turned over to them. The situation is very acute on supply of binoculars to the British Army and it seems probable that some arrangements will have to be made to assist them in obtaining immediate supply.

It is understood that Mr. Arthur B. Purvis, Chairman of the British Purchasing Commission, brought from England a revised statement of requirements for 1941-1942 covering aircraft, merchant vessels, and ordnance. This program is much larger than any hitherto coming to our attention and indicates a very heavy demand on our production facilities.

The British Purchasing Commission is using its facilities to send samples of military equipment which we desire to send to the United States Military Attaché in London for demonstration or test purposes. It is not possible to sell samples of U.S. items to the British, but it has been found practicable to send samples to the Military Attaché and give him authority to demonstrate or expend as the case might require.

The British Admiralty has supplied a complete program for items which they would like to get from the United States Government stocks and items for which orders must be placed. It is noted that one of the most pressing requirements is for guns to arm merchant ships. A considerable number of 7x50 binoculars for use on merchant vessels is also an urgent requirement. These are needed to spot aircraft and submarines and thus give the merchant vessel a chance to defend itself.

In view of impending action on the Lend-Lease Bill, closer contacts with the British Purchasing Commission are developing. Navy technical conferences with personnel of the War and Navy Departments have been held in the recent past which are laying the ground work for action to be taken under the Lend-Lease Bill.
CONFIDENTIAL

BRAZIL

The Brazilian Military Commission which moved to New York several months ago has returned to Washington.

Further study is being given to a procurement program for armament for Brazil. This program exceeds $200,000,000 and is impracticable of execution without financial aid from the United States.

NETHERLANDS

Negotiations are in progress with the Winchester Repeating Arms Company to create a small arms ammunition plant to produce 260,000,000 caliber .30 and 8,000,000 caliber .50 cartridges.

This firm is also estimating on the costs and equipment needed for the plant to produce small arms ammunition in Java. The company has been told that there is no objection to preparation of this estimate, but that the purchase of the machines and their export will be questions which will have to be settled later.

The Dutch are also negotiating with Winchester to purchase 500,000 caliber .303 cartridges which the British Purchasing Commission rejected as unsuitable for use in the Bren gun. The head thickness was too great for the Bren gun, but seems to be suitable for types of weapons on hand in the Netherlands Indies.

Action is being taken to furnish eighty (80) 3-inch obsolete Naval guns and a quantity of loaded projectiles. These are being turned over to the Army for disposal through an intermediary and will be overhauled in an American plant before shipment to the East Indies.

BELGIUM

Arrangements have been completed to furnish 7,100 Enfield rifles to the Belgian Congo.

GERMANIA

It has been learned that the Canadians will furnish 50,000 rounds of 75 mm shells to the Greeks. These are shells originally from U.S. stocks which were turned over to the British last June but never exported from Canada. The Greeks will be able to use the shell, the powder, and the fuse and assemble these components to their own cartridge cases and primers in Greece. This will make the ammunition suitable for the 75 mm Schneider Pack Howitzer. It is expected that they will request that we furnish a quantity of M-46 fuses. The Mk III fuses with these shells are not suitable for use in the lower zones of the pack howitzer.

DECLASSIFIED
E.O. 11905, Sec. 3(E) and 5(D) or (E)
OSD letter, May 5, 1973
MAY 21 1973

CONFIDENTIAL
CONFIDENTIAL

The original Greek request included 75 mm, 105 mm, and 155 mm ammunition, but it seems improbable that any of these can be supplied as U.S. Army surplus. The Navy Department has, however, furnished 10,000 6-pounder shells, a type now obsolete in the Navy.

CHINA

An effort is being made to get the Chinese interested in bidding for 30,000,000 rounds of 7.62 caliber cartridges on order for Finland with the Winchester Company. The Finns previously offered these cartridges to the Chinese but were told that the type is manufactured in China and that the Chinese are not, therefore, interested in buying any stocks in this country. It is, of course, our view that this large quantity of small arms ammunition should be put to use and for this reason its availability in this country has been mentioned to the only belligerent nation using some Russian equipment at the present time, which is China.

ROMANIA

The Romanian Government has 30,000 gallons of Toluol and a considerable quantity of barbed wire which it desires to sell. It has been found impossible to export these items to Roumania. Recommendation has been made that they market these stocks through a U.S. firm to a friendly foreign government. The Republic Steel Company representative was introduced in connection with the disposal of the barbed wire and at least one manufacturer will be interested in buying the toluol.

NORWAY

Steps are in progress to make available twenty-five (25) 3-inch Naval broadside guns of an obsolete model and a quantity of projectiles. These items are being transferred from the Navy Department to the War Department for disposal through an intermediary.

For the Clearance Committee, Army & Navy Munitions Board:

[Signature]

CHARLES HINFS,
Colonel, Coast Artillery Corps,
Chairman

DECLASSIFIED
E.O. 11905, Sec. 3(E) and 3(D) or (E)
ORD letter, May 3, 1972
MAY 10 1973
Respectfully forwarded to the President:

E.M.W.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is Report No. 71 on the subject of Foreign Inquiries for Production of Munitions.

Henry L. Stimson
Secretary of War.
CONFIDENTIAL

MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is
Report No. 71 on the subject of Foreign Inquiries for
Production of Munitions.

Secretary of War.
CONFIDENTIAL

ARMY AND NAVY MUNITIONS BOARD
WASHINGTON, D.C.

January 28, 1941.

Report No. 71.

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMITTEE

A request has been received that there be furnished from U. S. orders thirty thousand (30,000) 37 mm A.P. shot to balance components received from other plants executing British orders. It seems that the British have not obtained deliveries from the National Pneumatic Company, the contractor for the projectiles. This firm expected to be in production in December 1940, but cannot produce until March 1941. This is an example of several cases which have come to our attention where optimistic promises of production have been made to the British and it was found necessary to ask for assistance from U. S. production to make it possible for them to obtain complete articles.

Recent export licensees carry one hundred fifty-nine (159) Consolidated 4-engined bombers. These, of course, are future deliveries and include the remaining twenty (20) of the concession made by the U. S. some months ago to allow the British to obtain the first twenty-six (26) of these bombers.

Several licensees show destinations as the British Gold Coast. It is noted with interest that one (1) Martin bomber and some Caliber .50 and Caliber .30 ammunition are slated for this destination.

The Canadians are asking for bomb ballistic tables for use in connection with the testing of bombs in Canada derived from deliveries from American manufacturers. This particular request involves the only remaining secret Army item not released to the British some months ago. A study is being made to determine whether the time has come to consider the release of these tables.

DECLASSIFIED
E.O. 11652, Secs. 8(E) and 9(D) or (E)
OSD letter, May 8, 1972

CONFIDENTIAL

By, RT
MAY 21 1973
In previous reports, mention was made of supply of eight (8) 10-inch guns to Canada from our harbor defenses. Canadian engineers are here at the present time studying the type of implanation to be built in Canada for these guns. The eight (8) guns will be grouped in four (4) batteries and all will be installed at the east coast points.

The Canadian authorities are negotiating with the York Safe and Lock Company to handle the details of the dismantling of the 10-inch guns in this country, as well as the financial features of the exchange contract.

The ammunition for the 20 mm Hispano-Suiza aircraft gun has been standardized on the British model. Action has also been taken in collaboration with the British to standardize the type of gun which will be produced in the United States.

A production priority has been requested to obtain double driving springs for Caliber .50 aircraft machine guns being manufactured for the British. The old single driving spring previously furnished with these guns is not suitable. The priority desired is for supply from the order of the United States Army for spare parts.

A complete set of drawings for the M-3 light tank has been furnished. This involves several thousand drawings and is a preliminary to the placement of an order for about two hundred sixty (260) M-3 light tanks with the American Car and Foundry Company.

As of January 11, 1941, the situation on British orders was as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft</td>
<td>$1,515,574,016.70</td>
</tr>
<tr>
<td>Others</td>
<td>1,621,862,358.91</td>
</tr>
<tr>
<td>Capital Assistance</td>
<td>171,489,734.57</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,308,926,110.18</strong></td>
</tr>
</tbody>
</table>

BELGIUM

In a previous report, reference was made to the action of the War Department in supplying 7,100 Enfield rifles for use in the Belgian Congo. We are now advised that the British are planning to furnish the ammunition for these rifles, with one million rounds to be supplied in the period, February to April inclusive, and six million additional before the end of July.
The Netherlands Government is the second largest purchaser of munitions. The status of its orders as of January 11, 1941, was as follows:

- Aircraft: $44,651,900
- Others: $36,648,900
- Total: $81,300,800

For the Clearance Committee, Army & Navy Munitions Board:

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman.
Respectfully forwarded to the President

E.M.W.

E.M.W.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is
Report No. 72 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

Six of the B-24 airplanes released by the War Department have been delivered by the Consolidated Aircraft Corporation to the British. The question of the supply of government furnished equipment has now arisen. It will be necessary to furnish the equipment for these six (6) airplanes, and the remaining twenty (20) to be delivered later, from stocks procured by the Air Corps and originally intended for these twenty-six (26) airplanes. It is expected that replacement of the government furnished items will be handled by orders to the original manufacturers, who will be directed by the Air Corps contracting officer to forward the bill to the British for settlement.

To enable the British to make a test of a Garand rifle, now in England, the War Department is making available to the U.S. Military Attaché in London a quantity of cartridge clips. These were apparently not procured at the time of the original acquisition of the rifle. In this connection, a permission has also been granted to the Winchester Company to sell one Garand rifle to Canada for tests by the Canadian Air Force.

It is informally understood that the financing of thirty-six (36) light tanks and twenty (20) B-17C airplanes has been arranged. These two urgent transactions have been at a standstill for several weeks because of the British financial situation.

Canadian engineers are inspecting 10-inch gun emplacements to obtain the necessary technical information to construct similar emplacements in Canada. As reported previously, the guns concerned are from our harbor defenses and will go to east coast points in Canada. Three guns from the harbor defenses of the Delaware will be immediately dismounted by the York Safe & Lock Company, which has also been awarded the exchange contract. The original "GRASSED"

E.O. 11662 Sec. 2(5) and 6(9) or (59)
project called for 2,000 rounds of armor piercing ammunition for these guns. This quantity is now being reduced to 800 rounds for economy reasons. It seems that this action was made necessary because the procurement program for Canada, brought back from England by Mr. Howe, Canadian Minister of Munitions, calls for much larger financial assistance from Canada on munitions orders in the near future.

Final action has been taken to furnish to Canada fifty (50) 4-inch naval guns and a quantity of ammunition for them. These guns will be mounted on Canadian patrol and escort vessels.

In previous reports, a reference has been made to a project for a proving ground in New Jersey. This project almost died because the options to acquire the land were not exercised. Action has now been taken by the British to take up these options and it is assumed that the project can now proceed. The area concerned is near Atlantic City and is large enough for long range firing.

Arrangements have been completed to make available one hundred and thirty (130) tons of tetryl for urgent needs in Great Britain. This tetryl is needed for loading of boosters for British type bombs.

Agreement has been reached with the British covering the details for the production of the 20 mm Hispano-Suiza gun. For a time, it seemed that two types of this gun were slated for manufacture in this country, but a conference has eliminated the differences and will lead to the production of a type which will be suitable for both U.S. and British needs.

Approval has been granted for the interchange of information on small arms ammunition production between the Remington Arms Company and Defense Industries, Ltd., of Canada, its Canadian affiliate.

The duties of the Army-Navy-British Joint Aircraft Committee have been broadened to include a consideration of aircraft requirements of other countries than the British Empire. The British members are still retained on the Committee for consideration of the needs of other countries, because of the bearing of all aircraft requirements on those of the British Empire.

An offer to make available five hundred and thirty-two (532) Lewis aircraft guns has been made, but the British have not yet indicated whether they wish to take these guns. They are located in our foreign garrisons, are obsolete, and are similar to the large quantity furnished to the British last June.

Arrangements are being made to interchange on loan one American type thirteen and one-half foot height finder for a British eighteen foot instrument.

As the British proving ground facilities are not yet ready, it is pro-
E.O. 11662, Sec. (E) and (D) or (E)
beable that the use of Aberdeen Proving Ground for armor plate and ammunition component testing will have to be extended another month. The Aberdeen Proving Ground has been used for the past two months to test material ultimately destined for the British and this has been legally done by having the work performed for American manufacturers.

Permission has been granted to the British to send the drawings for the Sperry-gyro-stabilizer to England. This stabilizer will be used in the medium tank program.

Two 4.2-inch chemical mortars will be sent in the near future to the Military Attache in London, England. These are to be used for demonstration to the British War Office. The request originated with Colonel Barley, Chemical Warfare Officer of the British Army, who was in this country several months ago. Arrangements are also in course to determine whether a quantity of empty shells from a current U.S. order can be furnished for these mortars by the American manufacturer to place an order for the first one thousand (1,000) shells.

**CHINA**

Funds and authority have been received by the Chilcan Embassy to order forty-eight (48) Pack Howitzers and ammunition of U.S. military design. It is our understanding that these orders were derived from cancellation of an order held by the Krupp Company of Germany.

An order has been placed with an American firm for sixty (60) 81 mm trench mortars. Ammunition for these mortars will be procured from another American firm.

**CHINA**

Several weeks ago the Chinese Government submitted a very large procurement program for aircraft and armament. This has since been amended to include only training airplanes and small arms ammunition. It seems improbable that any of the items requested can be furnished before 1942. A suggestion has been made that the Chinese renew their request if and when the Lend-Lease Bill is passed and it can then be determined whether priority for supplies is to be granted to China.

**GREECE**

Action has been taken to make available ten thousand (10,000) 6-pounder naval shells. These are said to be urgently needed for anti-tank use. The type is an obsolete naval caliber and the ammunition has been transferred to the War Department for disposition. Four thousand (4,000) rounds will be ready by February 7, 1942.
The Greek Minister has also asked that his contract for thirty-five (35) Continental W-670 engines (aircraft type) be not disturbed. These are evidently needed for maintenance of training planes already in Greece.

NORWAY

A request for seven (?) additional Fairchild trainers for the Norwegian Air Training School in Canada has been received. The Fairchild Company has already supplied fourteen (14) of these trainers. It will be recalled that the Norwegian Government is engaged in a very active air training program in Canada, with a view to maintenance of squadrons in the Royal Air Force.

IRAN

A manufacturing license for the Hawk 75-A plane for production in Iran has been approved. This is at present an obsolescent model for the U.S. Conditions for the release of this manufacturing license include a provision that there will be no dissipation of U.S. efforts in personnel and machines to create a plant in Iran as long as the aircraft situation in the United States remains critical.

SOCONY-VACUUM OIL COMPANY

A recent report from the Socony-Vacuum Oil Company showing exports of petroleum products during the fourth quarter of 1940 indicates that, out of a total of 1,557,000 barrels exported Japan got 972,000 barrels. This was mainly Diesel fuel and crude oil. No aviation gasoline was shipped during that period to Japan.

For the Clearance Committee, Army & Navy Munitions Board:

CHARLES HINZ
Colonel, Coast Artillery Corps, Chairman.
MEMORANDUM FOR GENERAL E. H. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is
Report No. 73 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

Six (6) of the B-17G 4-engine bombers have been completely modified and are available for transfer to the British. The remaining fourteen (14) ships will be ready about February 21st. The British crews are being trained to operate this type of bomber. The Ordnance Department of the Army is sending the guns and the necessary small arms ammunition for one fill. The airplanes are being concentrated at Sacramento Air Depot as rapidly as the modifications are completed at Boeing factory in Seattle.

Several weeks ago the British were authorized to take over the last thirty-six (36) light tanks under production at the American Car and Foundry Company for Army account. We are now advised that because of financial difficulties it will be possible to take over only two of these tanks at the present time. This will allow at least a sample for instruction and experiment in England.

Action has been taken to allow the British to buy two (2) scout cars from the White Motor Company and to furnish two (2) anti-tank guns to our Military Attaché in London. These samples are intended for instruction and experiment as in the case of the tanks referred to above.

In order that some 37 mm ammunition may be provided for the two tanks referred to above, action is in process to furnish six thousand (6,000) pounds of 37 mm powder and thirty thousand (30,000) A.P. shot to the American firm which has the contract for loading this type of ammunition for British account. The contractors who were scheduled to supply these components have not been able to make deliveries as promised and the British have asked for emergency assistance from the United States.
As another contractor is not meeting his delivery schedule for the 37 mm anti-tank gun, the British have also asked that half the deliveries from commercial sources for guns of this type be allocated to them for the next few months.

Action has been completed to furnish one hundred and fifty (150) 4-inch guns and seventy-five hundred (7,500) shell without cartridge cases. The material so provided was transferred from the Navy to the Army as surplus for the purpose of making it available to the British.

Reference has been made in previous reports to assistance being rendered by the Aberdeen Proving Ground to American manufacturers producing on British orders in testing the current output of ammunition components and armor plate. The time for use of the proving ground has been extended several times in the past because the British are not yet prepared to make their own tests in this country. It now seems probable that a further extension to May 1st will be necessary and it is hoped that by that time British proving ground facilities will be available.

Information has been received that the British Government expects to make a gift of two complete 40 mm Bofors guns to the United States Government. One of these guns is already at Aberdeen Proving Ground and the other will be forwarded shortly from England. The War Department is much interested in the Bofors gun as its combat record in England has been excellent.

An unusual request just received is for one thousand (1,000) caliber .45 pistols, by diversion from a U.S. contract. It is represented that these pistols are needed for operations planned in the near future.

A study is being made of the British program which would probably be undertaken if and when the Lend-Lease Bill is passed. As previously noted in our reports, this program is much larger than ever before contemplated.

For the Clearance Committee, Army & Navy Munitions Board:

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is Report No. 74 on the subject of Foreign Inquiries for Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
CONFIDENTIAL

ARMY AND NAVY MUNITIONS BOARD
WASHINGTON, D.C.

February 19, 1941

Report No. 74

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief-of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

The first B-24 four-engined bomber of the six already delivered has been flown to La Guardia Field, New York, and will shortly proceed to England. The first six ships of the twenty-six to be eventually obtained on this contract with Consolidated Aircraft Corporation will not have any armament. The remaining twenty airplanes will be equipped with necessary armament, and steps are being taken to supply the armament from existing stocks with replacement later by the British. Small arms ammunition needed for an initial fill is being made available from a quantity authorized for supply in connection with the deal for twenty B-17C airplanes.

Arrangements have been completed to forward two 4.2" chemical mortars to the American Military Attaché in England, with authority to demonstrate these mortars to the British. Arrangements have also been made to furnish the first one thousand shell on a current U.S. contract. These are empty shell which will be filled in England and used in the demonstration referred to above. It is interesting to note that the British made it possible to begin the contract for the manufacture of the shells by providing three essential machine tools. The supply of these machine tools made it possible for the manufacturer to get into production several months in advance of the time originally scheduled for the U.S. order.

Action has been completed to make available six thousand pounds of 37 mm powder and thirty thousand 37 mm A.P. shot. This was necessary

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 205 or (D)
OSD letter, May 3, 1972
By RT, NARS MAY 21 1973
to enable the British to load immediately enough 37 mm A.P. shot so that a supply can be made available in England for several light tanks due to be shipped in the immediate future.

Action has also been completed to supply the British Admiralty with the following:

300 3" naval broadside guns
18,000 loaded and fused projectiles for these guns.

This material was obtained by transfer from the Navy Department and is the subject of an exchange contract by the War Department under the provisions of the Act of July 2, 1940.

The British have supplied the drawings for their six-pounder anti-tank gun. In addition, the War Department is asking the British Government to supply two complete guns of this type with the necessary accessories and a quantity of ammunition. It is expected that these guns will be tested at Aberdeen Proving Ground to determine whether they are superior to current U.S. models.

A conference has been arranged to determine what can be done to expedite the entry into the United States through the Customs Service of samples of the British equipment. Ways and means will be sought to lift certain restrictions on the importation of such samples, and it is expected that some relief can be arranged to ease a difficult situation where the matter is one of regulations rather than law.

The British Government has been asked for the specifications and the testing methods for time fuses to determine whether any changes should be made in our own acceptance methods for fuses of these types.

The Priorities Board is now giving attention to preference ratings for foreign orders. Heretofore, foreign orders have had no standing in the schedule for preference ratings.

Netherlands Indies

A report has been received that the Netherlands Indies is purchasing the remaining thirty million (30,000,000) rounds of 7.62 ammunition on hand at the Winchester Repeating Arms Company for the account of Finland. In connection with this transaction, five hundred (500)
Hotchkiss guns have been obtained by the Finns to make it possible to use this ammunition, and new barrels for these guns are said to be on order with Iver Johnson Company.

NORWAY

Action has been completed to supply twenty-five (25) 3" naval broadside guns and fifteen hundred (1500) loaded and fused projectiles to the Government of Norway. These were made available by the Navy Department and are to be used on Norwegian merchant ships.

For the Clearance Committee, Army & Navy Munitions Board:

[Signature]

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman
RESPECTFULLY FORWARDED TO THE PRESIDENT:

E. M. W.
MAR 3 - 1941

MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President is
Report No. 75 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
Report No. 75

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations.

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

There has been received from the British Purchasing Commission a revised report of orders placed in this country, together with the production schedules. This report was found necessary to enable the War Department to make studies of production possibilities in connection with increased aid to the British.

In compliance with a request of the War Department that procurement contracts on British orders be furnished, a large number of these contracts are now available. These contracts will be valuable in the administration of the War Department interests in the Lease-Lend Bill.

For the information of the Chief of Staff, a list has been compiled of assistance given to the United States in the form of information and samples by the British. The number of items is surprisingly large, indicating clearly that the British are cooperating in every way in supplying us with their latest military developments and, in addition, furnishing captured German material for study.

The drawings for the 6-pounder antitank gun, which will supersede all smaller sizes in the British Army, have been received and turned over to the Ordnance Department for study.
It is understood that the Commission is preparing a study of the assistance which the British would like to obtain under the Lease-Lend Bill. Particular attention is being given to items which can be made immediately available under the authorization for supply from current appropriations or stocks of material not exceeding $1,300,000,000 in value.

The Lease-Lend Bill will probably also cause a considerable reorganization of the present British Purchasing Commission which may take the form of a large increase in the Washington office and a corresponding decrease in the New York office. This is to be expected because the whole organization which handles the details of purchasing is in New York; and if the United States takes over practically all the purchasing, it is not apparent why a large organization would have to be maintained in New York. Correspondingly, the Washington organization will have to be increased to care for the increased liaison with the United States Government which will be necessary.

A meeting was held by War Department officers with the Commissioner of Customs, with British representatives present, to work out ways and means to bring into this country samples of British equipment needed for experimental purposes by our Army. It was finally decided that, for the time being, it will be best to have these samples brought in as British property as a matter of international courtesy. When imported in this manner, no duty is paid. The British have agreed that this is the best way to enable the United States to obtain samples and are taking the necessary steps to carry out the agreement.

Two (2) of the M2A3 army type light tanks have been shipped to England. The British are negotiating for immediate supply of six (6) additional tanks of this type. It will be recalled that the authority was given to them to obtain the last thirty-six (36) tanks on the War Department order with American Car and Foundry Company.

Steps are in progress to furnish thirty-four (34) 3-pounder naval guns, together with a quantity of ammunition, to Canada. These are intended for use on crash boats and are being made available by the Navy Department.
In connection with fire control equipment for 10-inch guns recently sold to Canada, a study is in progress to determine what fire control equipment can be released for the four (4) batteries concerned.

The Canadians have also asked whether they can get a supply of magazines for certain Lewis guns turned over to Great Britain by the United States last June. It seems that no magazines were furnished with the guns which went to Canada because all spare parts had been shipped to England, and it was impossible to get them back. It seems probable that some assistance can be given as the Navy Department still has a stock of these magazines.

Several hundred Lewis guns are still on hand in Army stocks in overseas possessions. These have been requested by the British Admiralty and action is in progress to determine whether the commanding generals of the overseas departments will consent to their release. All other Lewis guns in Army stocks were turned over to the British last June.

**BEZIAZ**

A retired army officer has been ordered to active duty to act as advisor to the Brazilian Military Commission. It is expected that he will have to devote his time in the immediate future to a rounding out of the equipment required for armament sold to the Brazilians last summer.

Among the guns sold were ninety-nine (99) 6-inch guns of British manufacture. The problem of securing some ammunition for these guns seems to be impossible of solution earlier than eighteen months. An inquiry has been made to the British to determine whether they would be willing to sell 20,000 rounds to the Brazilians from stocks in England. Advice has been received that these guns are in active use and that no ammunition can be spared.

Various estimates have been made as to the cost of providing the equipment needed to round out the armament referred to above, and it is now apparent that all previous estimates were too low. It is now estimated that it will cost approximately $12,000,000 to provide carriages for 12-inch guns, and ammunition for other guns sold to the Brazilians.
There has been some activity in procuring trucks to act as prime movers for the 6-inch guns. A firm in St. Louis has built a pilot model of a truck which is claimed to be adequate for the traction of these guns. The actual supply of this truck is dependent on procurement of axles from the firm which is producing for the United States. It seems probable that arrangements will be made so that one set of axles can be made available for the pilot truck and that the supply of ninety-eight (98) additional sets, required for the prime movers of the remaining guns, will have to be deferred until the axle situation improves.

Greece

Another urgent request has been received from the Greeks for a large quantity of field artillery ammunition and guns. It has been found impossible to supply this need because of shortages in United States stocks.

It has been found practicable to agree to a British request for the diversion of eight (8) tons of tetryl to the Greeks from an authorization granted to the British a few weeks ago.

For the Clearance Committee, Army and Navy Munitions Board:

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman.
RESPECTFULLY FORWARDED TO THE PRESIDENT:

[Signature]

E. M. W.
MEMORANDUM FOR GENERAL S. W. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President
is Report No. 76 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.

DECLASSIFIED
E.O. 11652, Sec. 2(E) and 8(D) or (E)
OSD letter, May 3, 1972
By RT, DECLASSIFIED MAY 21 1973
March 5, 1941

Report No. 76

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit, from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

Information has been received that the British are now in a position to finance the remaining thirty-four (34) tanks of the total of thirty-six (36) released to them recently from the production of the American Car and Foundry Company. To this time funds have been available only for two (2) tanks. These two (2) tanks (M2A4 design) have been delivered, fully equipped, and are now on their way to England. The British have been much interested in our type of light tank for use in a fast moving reserve unit in England. They originally tried to get one hundred (100), but it was found possible to let them have only thirty-six (36). Some difficulties are being met in placing the order for tanks with the American Car and Foundry Company because the company does not wish to become involved in placing orders for equipment normally furnished by the government. It is hoped that these difficulties can be adjusted in the near future and the thirty-four (34) tanks, so urgently needed, shipped to England.

The small arms ammunition and the bombs to go to England for the twenty (20) B-17C planes, now being transferred, have been turned over to an intermediary for British account. This ammunition is equal to three months' requirements for the twenty (20) bombers. The armament for these airplanes is being sent to the Sacramento Air Depot for installation. It will consist of six (6) caliber .50 guns and two (2) caliber .30 guns for each airplane.
The guns for the twenty-six (26) B-24 airplanes to be delivered to the British are being sent to the Consolidated Aircraft Corporation, and all of these guns will be of the caliber .30 type. No ammunition for them will be furnished by the United States. It has been suggested to the British that they take ammunition from the B-170 allotment to provide for the initial requirements for the B-24’s.

Arrangements have been made in consultation with the Commissioner of Customs for importation by the British Purchasing Commission, as a matter of international courtesy, of samples of British and other foreign material needed for test purposes by the Army. The arrangement was immediately tested by the importation of twelve (12) boxes of flares as British property. In this connection, a study is being made of legislation which would be needed to expedite the importation of defense articles without duties or import taxes in case such action becomes necessary under the Lease-Lend Bill.

Because of some difficulties with caliber .50 guns of our model in England, twenty-five (25) guns and a small quantity of ammunition are being sent to the United States military Attaché in London for the purpose of giving a thorough demonstration. An expert from the Air Corps is already in England who will demonstrate these guns to the British and give instruction in their maintenance.

Arrangements are practically completed to obtain from the Navy, for Canada, fifteen thousand (15,000) magazines for Lewis guns. The guns concerned were turned over to the British last June and were left in Canada, but no magazines for them were furnished at that time. Through error, all the magazines provided by the United States were sent to England, and it has proved impossible to get any of them back.

A quantity of Lewis aircraft machine guns is on hand in Hawaii and the Philippine Islands. These are obsolete guns for the United States, and an inquiry was made by the British Admiralty concerning their availability for sale to the British. It has now been decided that none of these guns will be released from the overseas possessions.

Preliminary Negotiation Reports, with numbers as high as 750, have been presented by the British, and many of them have been received recently. It is somewhat puzzling why they are still engaged in negotiations in view of the financial situation. Many of these negotiation reports are alterations, merely
adding the names of other suppliers. Inquiry of the British indicates that they desire to continue to send these negotiation reports and to obtain clearances on them, so that they will be in a position to go ahead with them as funds become available.

Arrangements have been completed to forward to the United States Military Attache in London, through the British Purchasing Commission, two (2) 37 mm. anti-tank guns with a small quantity of ammunition, and a consignment of Signal Corps loading coils and connectors. This material will be demonstrated to the British Army.

There has been considerable activity involving the Army, Navy, and British on the standardization of airplane bombs. Recommendations have been drafted covering several types of bombs which will be put into production late in 1941 as standard equipment for the three agencies noted above.

RUSSIA

The Russian orders in the United States as of February 15 are as follows:

Total orders: $52,978,000, divided as follows:

<table>
<thead>
<tr>
<th>Material</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft</td>
<td>$167,000</td>
</tr>
<tr>
<td>Machine Tools</td>
<td>$19,403,000</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>$1,798,000</td>
</tr>
<tr>
<td>Non Ferrous metals</td>
<td>$3,907,000</td>
</tr>
<tr>
<td>Electric Equipment</td>
<td>$1,510,000</td>
</tr>
<tr>
<td>All others</td>
<td>$26,192,000</td>
</tr>
</tbody>
</table>

Of the amount for machine tools, the United States has requisitioned for national defense purposes equipment valued at $3,699,000 from these Russian orders.

SANTO DOMINGO

A list of Army and Navy material which the Government of Santo Domingo would like to get from the United States has been presented. This list has been considered by a joint Army and Navy board and included in a program now under development for the Latin-American countries.

URUGUAY

A list of military and naval material has also been re-
ceived from the Government of Uruguay. This list is mainly for aircraft. As for Santo Domingo, the list has been considered by the joint board referred to above and is to be incorporated into the program recommended by this board.

THAILAND

The ten (10) North American planes detained in Manila have been requisitioned by the United States. In addition, six (6) other airplanes which were not exported have also been requisitioned. Negotiations to acquire these planes have been in progress for several months with the Thailand Government; but negotiations have failed, and it is now necessary to resort to requisition.

GREECE

Through the British Purchasing Commission, the Greek Government has asked that the United States supply it with one hundred (100) mountain guns and a large quantity of ammunition for them.

They have also asked that fifty thousand (50,000) M-46 fuses for 75 mm. shell furnished from stocks in Canada be supplied. These 75 mm. shells from Canada are being delivered from the quantity turned over to the British by our Government last June. The M-46 fuses are desired because they are more reliable in the lower zones of mountain guns than the old MK III type furnished with the original shipment from this country. Decision has not yet been reached whether the M-46 fuses can be spared.

PORTUGAL

The Portuguese Government is having a great deal of difficulty in obtaining sixty-six (66) tons of TNT. Apparently, a commercial export firm accepted an order for this quantity of TNT and has none to deliver because it is not a producer of TNT. It seems improbable that this need can be filled because the only way this TNT could be obtained would be from a priority over United States deliveries. The need for TNT for United States loading orders is so great that it is doubtful whether any such priority would be granted.

NETHERLANDS EAST INDIES

The Netherlands Purchasing Commission is trying to obtain

DECLASSIFIED
E.O. 11062, Sec. 2(D) and 6(D) or (G)
O.S.D letter, May 8, 1972
MAY 21 1973

CONFIDENTIAL
four hundred thousand (400,000) pounds of powder for 120 mm.
naval ammunition which was placed with a commercial firm. This
firm did not have a guaranteed powder supply, and they are now
attempting to obtain the powder by a priority over United States
orders. The ammunition concerned is not an American type and
any powder manufactured for it would have to be of special web
thickness.

The Netherlands Purchasing Commission has also asked that
they be allowed to place orders for four hundred twenty-two
thousand (422,000) pounds of powder for the 4-inch naval guns
made available to them by the United States recently. A negotia-
tion report for this powder was disapproved for the time being
because of urgent United States needs. It seems probable that
the only way the Netherlands Indies can obtain the most urgent
requirements for explosives and ammunition will be to place the
case before such agency as may be formed to administer the Lease-
Lend Bill and convince that agency that preferential treatment
should be accorded.

For the Clearance Committee, Army and Navy Ammunition Board:

CHARLES HINES,
Colonel, Coast Artillery Corps,
Chairman.
MEMORANDUM FOR GENERAL E. M. WATSON,
Secretary to the President,
The White House.

Enclosed for the information of the President
is Report No. 77 on the subject of Foreign Inquiries for
Production of Munitions.

Robert P. Patterson,
Under Secretary of War.
ARMY AND NAVY MUNITIONS BOARD
WASHINGTON, D.C.

March 19, 1941

Report No. 77

MEMORANDUM TO: The Secretary of War
The Secretary of the Navy
The Under Secretary of the Navy
The Assistant Secretary of War
The Assistant Secretary of the Navy
The Deputy Chief of Staff
The Chief of Naval Operations

SUBJECT: Foreign Inquiries for Production of Munitions.

1. In accordance with instructions to submit from time to time, a brief report on foreign inquiries for military equipment, the following notes are made:

BRITISH PURCHASING COMMISSION

Study is being given to the supply of fire control equipment and primers for 10-inch guns and ammunition recently sold to the Canadian Government. It seems probable that equipment of this kind will have to be furnished to complete the equipment of the guns sold. The York Safe and Lock Company, the intermediary in this transaction, is busy at the present time in dismantling these guns for shipment to Canada. As noted in previous reports, they will be mounted at East Coast locations.

After many difficulties were met, a conference was finally held with the American Car and Foundry Company to work out the details of the transfer of thirty-four (34) Army model light tanks authorized for supply to the British Government. The British at first could not finance these tanks but finally obtained the money and have now made arrangements to obtain them.

Study is being given to preference ratings for British orders. This has long been a critical situation because urgent British orders without preference ratings were necessarily put on manufacturing schedules below all of those for the United States. A method has been established to overcome this difficulty and instructions issued by the Priorities Division of the Office of Production Management.
It has been learned that the Winchester Repeating Arms Company has recently signed a contract with the British Purchasing Commission for the following:

- 105,000,000 rounds, caliber .45 cartridges
- 187,000,000 rounds 9 mm. cartridges

This contract provides for conversion from one caliber to another within the quantities noted above.

There is also pending with Winchester a large contract for 400,000,000 rounds of caliber .303 ammunition. This contract contains a buyer's option to continue the production after the completion of the initial order at the regular rate. In discussing this contract with the Winchester representative, it was learned that the supply of powder seems no longer to be the choke element. The present limiting factor is zinc for the cartridge cases.

**PERU**

The Military Attache for Peru has presented requirements for material which his government would like to procure in this country. He was asked to submit a list to the State Department where it will eventually be routed to the Joint Advisory Board on American Republics for evaluation and preparation of a program.

**NETHERLANDS INDIES**

The Netherlands Purchasing Commission continues to place sizable orders in this country for military material to be sent to the Netherlands Indies. The most pressing need is for powder to be used in naval gun ammunition. They have asked that a priority over United States orders be granted for the supply of sufficient powder to make up 5,400 rounds of 150 mm. ammunition. It seems that this is ammunition for cruisers which lost their spare ammunition stored on the beaches in Europe when the Germans invaded the Low Countries.

**Greece**

A list has been submitted by the Greek Government showing requirements for immediate supply. Most of those requirements are being handled by the British Purchasing Commission. It was possible, however, to make certain artillery and artillery ammunition on this list Case No. 1 under the Lease-Lend Act. The President signed a directive to supply this material to the Greeks on the day that the Lease-Lend Act was enacted. Steps are in progress at the present time to turn over the material to the British Purchasing Commission for transfer to Greece.

Confidential
BRAZIL

Action has been taken to furnish a set of axles, by priority over United States orders, for an experimental prime mover which the Brazilians hope will be satisfactory for towing 6-inch guns bought last summer from the United States.

There is also a project for high speeding these 6-inch guns by the installation of new wheels with roller bearings and electric brakes.

An official list of equipment which the Brazilians would like to obtain from the United States has been furnished to the Joint Advisory Board on American Republics. This list is being considered in the Latin American program. It consists of first and second priority items and is a large requirement totaling about $200,000,000.

LEASE-LEND ACT

The passage of the Lease-Lend Act has led to several immediate actions making available material to the United Kingdom and Greece from existing stocks. Directives were issued by the President both to the War and Navy Departments covering the material to be released. Action is in progress to transfer this material as rapidly as possible. The four transactions to date have been classified by the President as "transfers" under the terms of Section 3 of the Act. Prices used in these transfers have been based on a definite policy of a fair price for each item considering its usefulness to the United States. For example, all standard material has been charged at 100 per cent the list price while some obsolete 8-inch howitzers of World War manufacture have been allowed to go at 20 per cent of the list price.

It is expected that the burdens imposed on the War Department by the Lease-Lend Act will be handled by the existing agencies, and it is not expected that any great expansion of these agencies will be necessary to carry the additional burden. Active steps are in progress to take care of the records necessary and the details of procedure which will have to be followed if the Act is to be administered with the celerity which the President desires.

For the Clearance Committee, Army and Navy Munitions Board:

[Signature]

[Handwritten Signature]
Since my last report, the situation is still far from being clear, but important developments are on the way:

1. The anti-British military move in Iraq was prematurely staged, and the rapidity with which the British dealt with the situation resulted in a temporary setback for Germany.

   With the consent of Vichy, besides giving airfield facilities to the Germans, the French in Syria are giving Germany every possible assistance.

   Turkey tries strenuously to maintain neutrality and at the same time to remain true to her pact with Great Britain. At the moment she is busily engaged in parrying German pressure.

   In North Africa the impetuous German advance in Libya has been stopped by the British on the Egyptian border. Serious difficulties are encountered by the German and Italian forces in keeping their supply routes open, and the British are completing plans for a counter-attack.

   With the liquidation of the Italian forces in Abyssinia, the British are moving their troops there to reinforce their position at Suez, Iraq and Libya.

   After capturing Crete, Germany will occupy the French colonies along the Mediterranean and Atlantic coasts. To facilitate military movements in North Africa Germany will penetrate Spain and take Gibraltar.

2. Germany has not attained her expected results in her Mediterranean warfare or in the Atlantic. The ranks of the best German submarine officers have been seriously depleted by sinkings and captures.
3. Of course, the battle of the Mediterranean is of paramount importance to England and only in a lesser degree to Germany. According to Dr. Schacht, however, the Mediterranean is not the main battleground of Germany.

According to current reports the predetermined German plan to attack the Soviet Union and to overthrow the Communist Government will be carried into effect early in June. Soviet Russia is increasing her supplies of raw materials to Germany with the hope of postponing the inevitable conflict. According to German plans, the German army will advance to the Volga River before September in order to finally solve the food question and to seize new resources and industrial districts.

After September Germany may attempt invasion of England, but as to that no decision has yet been taken. At the same time the German army will penetrate Spain and capture Gibraltar in order to facilitate the occupation of the Atlantic coast of North Africa to increase the effectiveness of her submarine warfare and to extend her grasp on Africa.

During the next year Germany will advance to the Ural Mountains and from there reach out for Vladivostok. The above may seem to you fantastic but barring unforeseen obstacles they will actually materialize.

4. The Hess affair shows that despite strict Government control there is internal friction among the Nazis and discontent among the populace is increasing. Morale has been maintained by constant news of fresh victories. The Hess affair has important effects among the Nazis and the German people because he was fully in touch with what had been going on.

5. Dr. Schacht is anxious for an interview with you on the German
and European situation, on the cooperation among China, Great Britain and America and the future political developments. He repeatedly requested that a meeting be arranged with you in neutral Switzerland for a few days which would be beneficial to China. He requests me to have you set a date so that he may await you in Switzerland. I have already reported this matter to the Generalissimo and shall appreciate a reply from you.