

● PSI²

Navy Dept. Oct. 1936-1937

1936

PSF: Navy

14 - 17 OCTOBER

BRIEF REPORT OF
JOINT COASTAL FRONTIER DEFENSE AIR EXERCISE NO.1
14 - 17 OCTOBER, 1936.
PREPARED FOR
THE NAVAL AIDE TO THE PRESIDENT
by
COMMANDER TRAINING SQUADRON

UNITED STATES FLEET, SCOUTING FORCE
TRAINING SQUADRON
U. S. S. ARKANSAS, Flagship

PSF: Navy
Navy to file

Norfolk Navy Yard,
Portsmouth, Virginia,
13 November, 1936.

Dear Paul:

As directed by the Chief of Naval Operations I am sending you herewith a brief account of the Joint Coastal Frontier Defense Air Exercise Number One. In this account I have not attempted to go into details in order that it might be easily read and because it is my understanding that you have a full detailed report from the Commandant Fifth Naval District.

With best wishes, *for a grand cruise*

Sincerely yours,

Wilson
Wilson Brown.

Captain Paul Bastedo, U.S. Navy,
Naval Aide to the President,
U.S.S. INDIANAPOLIS,
Navy Yard,
Charleston, S.C.

(3) Training in identifying Naval vessels
and targets. GENERAL

1. The general plan of the exercise visualized an attack on a shore objective on the Atlantic Coast by a force of hostile surface craft at a time when the Fleet was in the Pacific. The defense forces under such a situation consist of Naval and Coast Guard patrol craft, both surface and air and Army reconnaissance and bombing planes.

2. The directives for this exercise stated as its purposes:-

(a) For the Navy

Training in patrolling the coastal zone in the CHESAPEAKE SUB-SECTOR.

(b) For the Army

(1) Training in flying and navigating over sea areas.

(2) Training in bombing a towed target, simulating Naval surface and sub-surface craft.

(c) For the Army and Navy

(1) Training in inter-communication between the two services which will include all Headquarters on shore, planes in the air, and ships at sea involved in the Exercise.

(2) Training in the principles of coordinated action.

- (3) Training in identifying Naval vessels and targets at sea.

GENERAL SITUATION

3. For the purpose of simulating warfare the following general situation was specified:

An enemy force consisting of two battleships and one destroyer is reported by a neutral merchant ship in a position about 300 miles off the coast on a westerly course about twelve hours previous to commencement of the exercise. This report is intercepted by the Navy.

This same general situation held for each of the four problems planned. This hostile force was represented by the ARKANSAS, WYOMING and the Destroyer TAYLOR each of which towed one high speed target. This high speed target was a sled-shaped raft 8 feet by 4 feet so designed as to throw up considerable spray and make a considerable wash when towed at speeds above twelve knots. Although perfectly satisfactory for dive bombing exercises it does offer a rather poor target for planes at higher altitudes. Each of the towing vessels was accompanied by a destroyer acting as rake observer.

For purposes of the exercise the actual operating area was defined as that between the coast

- (a) and a line 100 miles off-shore and extending 180 miles along the coast with its center in the latitude of the Chesapeake Capes. The instructions to the Target Detachment were to cross the 100-mile line at approximately 0730 each morning of the four days of the exercise on a westerly course.

DEFENSE MEASURES

4. The general plan of defense was as follows:
- (a) An off-shore patrol consisting of destroyers and Coast Guard Squadron separated about five miles apart on a line about 70 miles off-shore.
 - (b) An in-shore patrol of small Coast Guard boats about fifteen miles off-shore.
 - (c) A patrol of Naval and Coast Guard sea-planes which took off at dawn each day and operated to seaward.
 - (d) Upon receipt of contact reports from any of the above forces by the Commandant, Fifth Naval District and their subsequent transmission to Commander 2nd Wing (Army Commander at Langley Field) paramount interest and command of joint force was to shift to the Army.

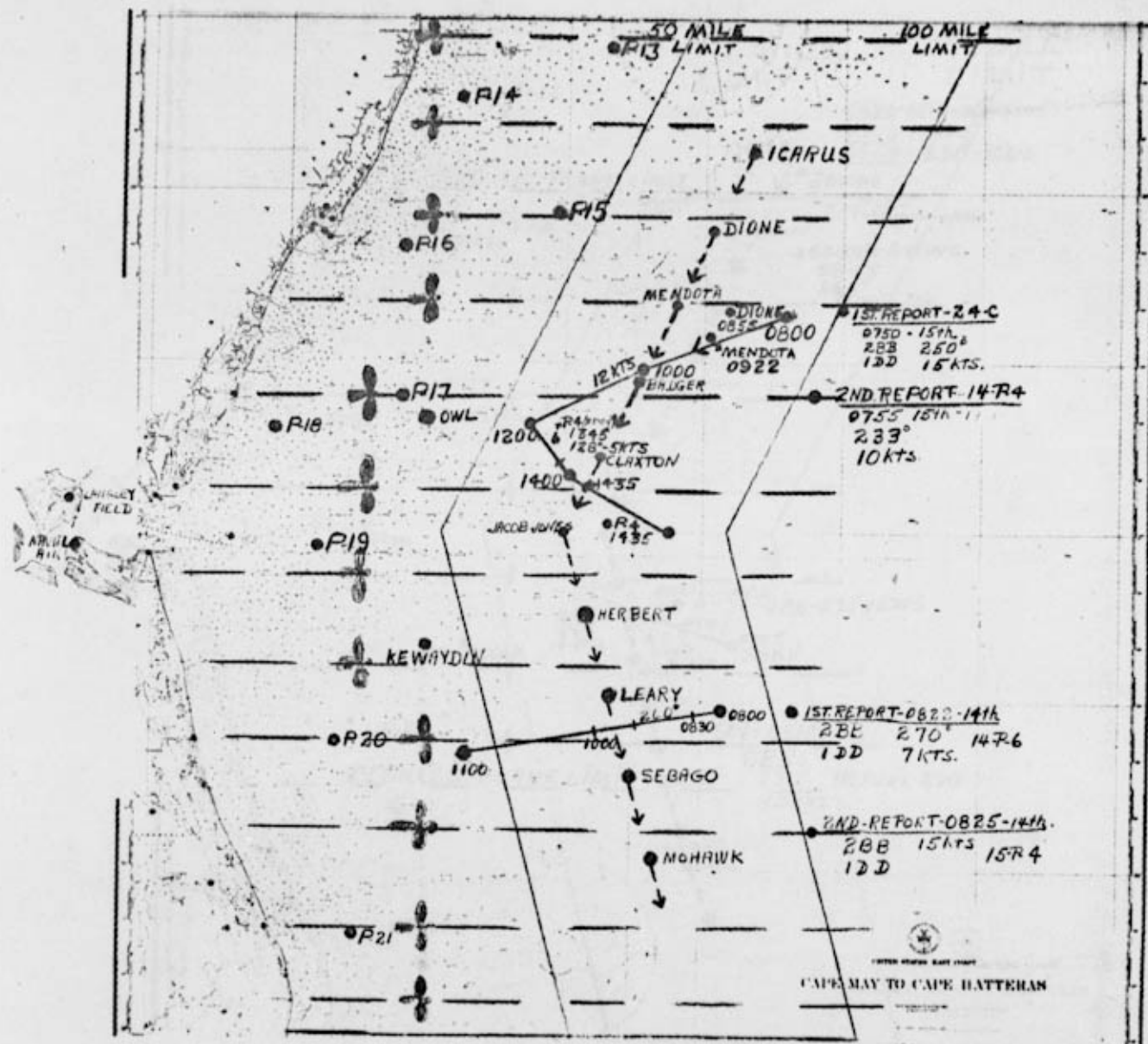
- (e) The Army Commander was then to despatch Army reconnaissance planes to the scene of contact, relieve the Navy patrol planes which might be on the scene, and thereafter advise the bombardment squadrons as to the location of the hostile forces.
- (f) As soon as possible after receipt of contact reports, bombardment squadrons were to be despatched on their mission.

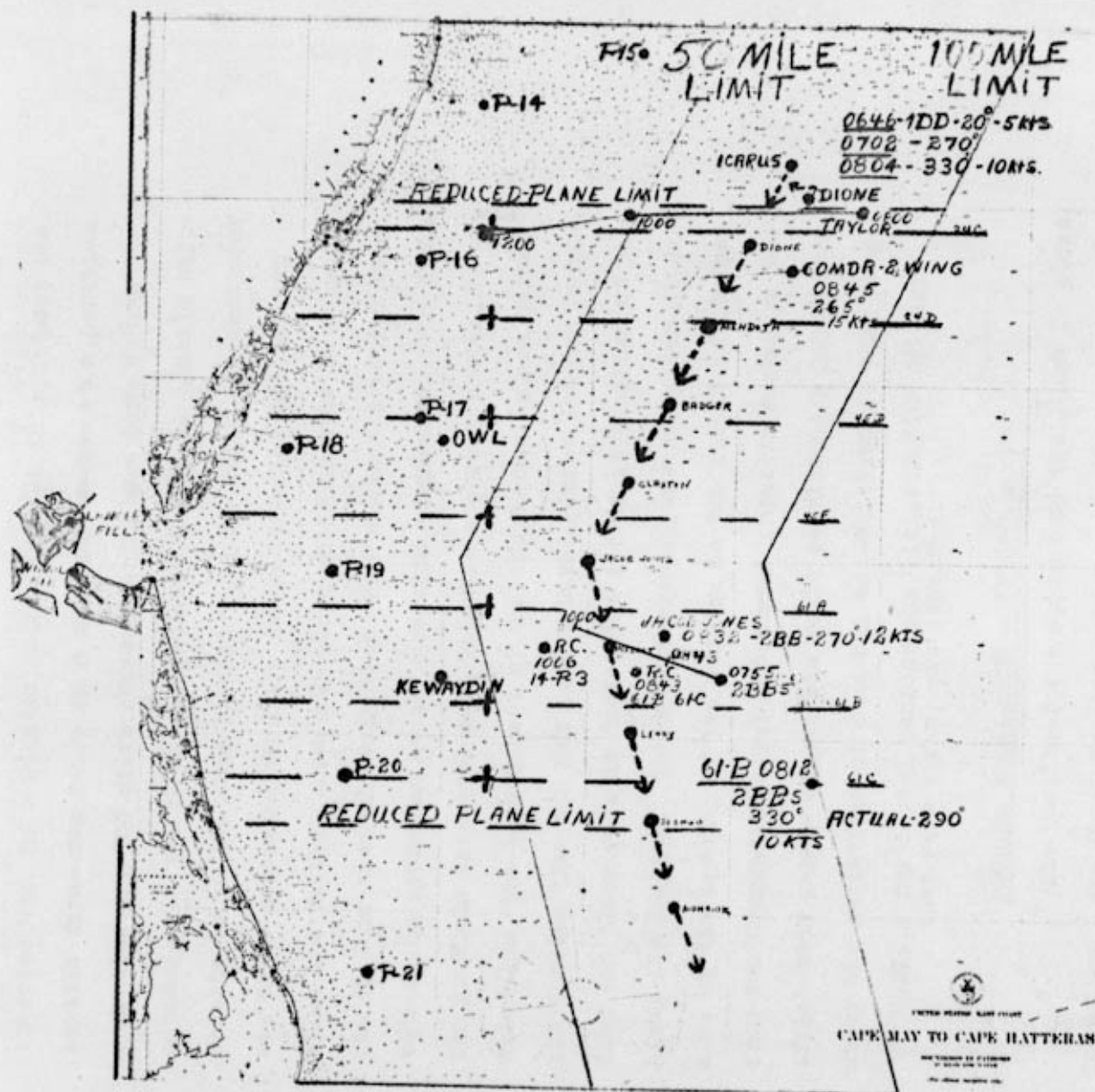
NOTE: The charts immediately following indicate the general plan of defense. The first chart also shows the operations of the Target Detachment for the first two days and the second chart the operations on the third day.

PREPARATIONS FOR THE EXERCISE

5. Numerous conferences were held between Army, Navy and Coast Guard during the two weeks preceeding the exercise for the purpose of providing necessary safety precautions, coordinating efforts and perfecting communications. These conferences were very instructive. They were particularly valuable in making it possible for the three services to communicate efficiently.

Keen interest in the exercise was evidenced by all services. Admiral Standley spent two days at the Naval Operating Base during the actual exercise and expressed himself favorably on what he had seen.





00551

CONDUCT OF EXERCISE

6. The four individual problems comprising the exercise were of a similar nature in that in each case the hostile force was to be on a westerly course at a position approximately 100 miles off-shore at about 0730 in the morning. In the first two problems the three hostile ships were to be in the same locality, in the third the destroyer was to be separated from the two battleships by about 75 miles and in the fourth all three ships were to be separated. The difficulties of navigation and coordinated action were thus to be increased as the exercise progressed. The first two problems were conducted in exact accordance with schedule. The second part of the third problem was called off because time did not permit Naval planes landing before dark and there were no facilities for night landings at the Naval Air Station. The fourth problem was cancelled at 3:00 a.m. on the morning of the problem as the result of advice from the Commander Target Detachment (hostile force) to the effect that rescue operations would be virtually impossible under the conditions of wind and sea existent at that time.

NOTE: A few aerial photographs, illustrative of many that were taken, are appended.

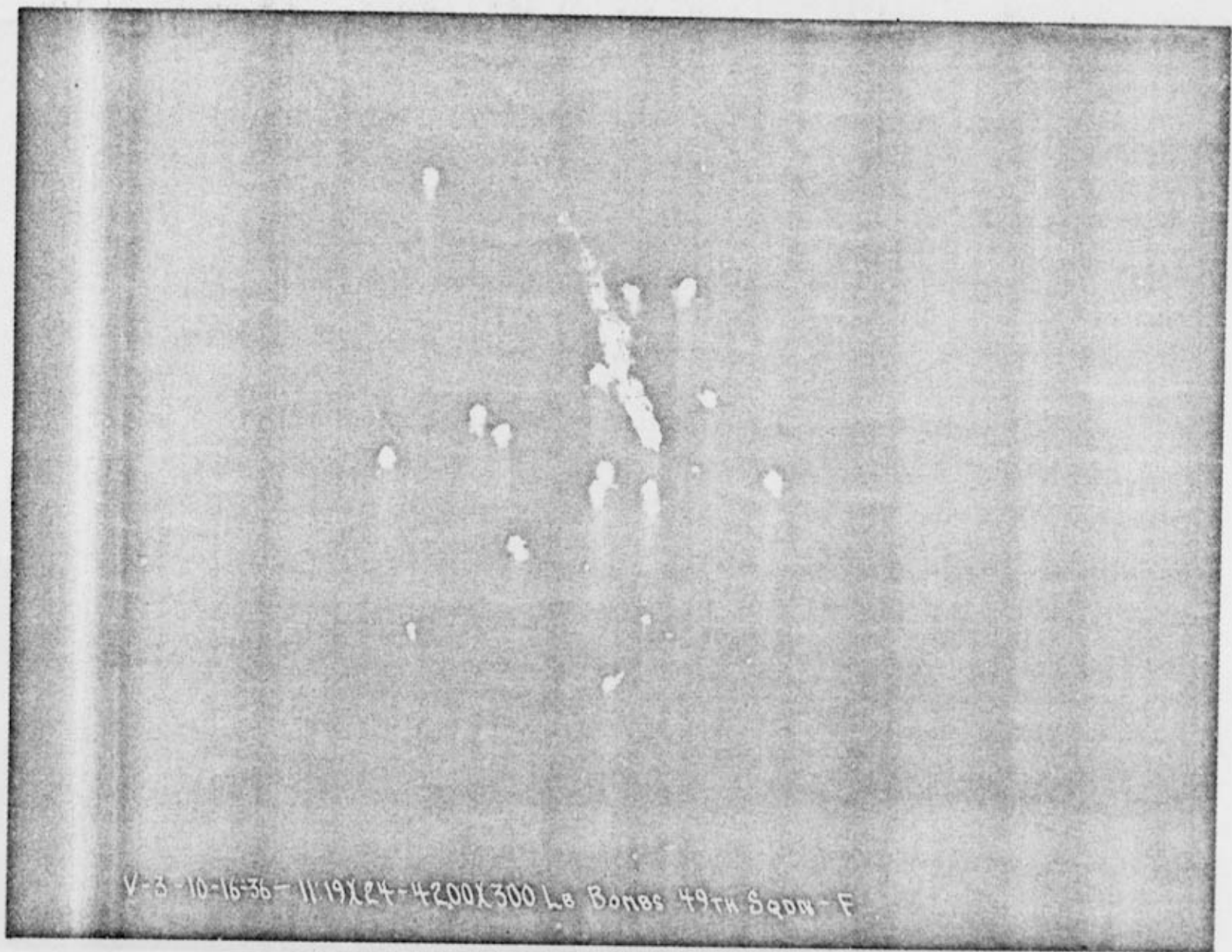
PROBLEM NUMBER ONE - (FIRST DAY)

7. The hostile force approached the coast in close formation. The first contact report was made by a Naval

0-4-10-16-36- 11, 0#X 12-1800X300 Lb Bones "H" 49th SQDN-D

0:1-10:16:36X10:47:20 F12-1500X300 LB. BOMBS "A" 96TH SQDN. C

0-3-10-16-36-10:56:30 X12-1900 X300 Le Bonss "C" 49th SQDN - D



V-3-10-16-36-11 19X24-4200X300 Lb Bones 49th Sqdw - F



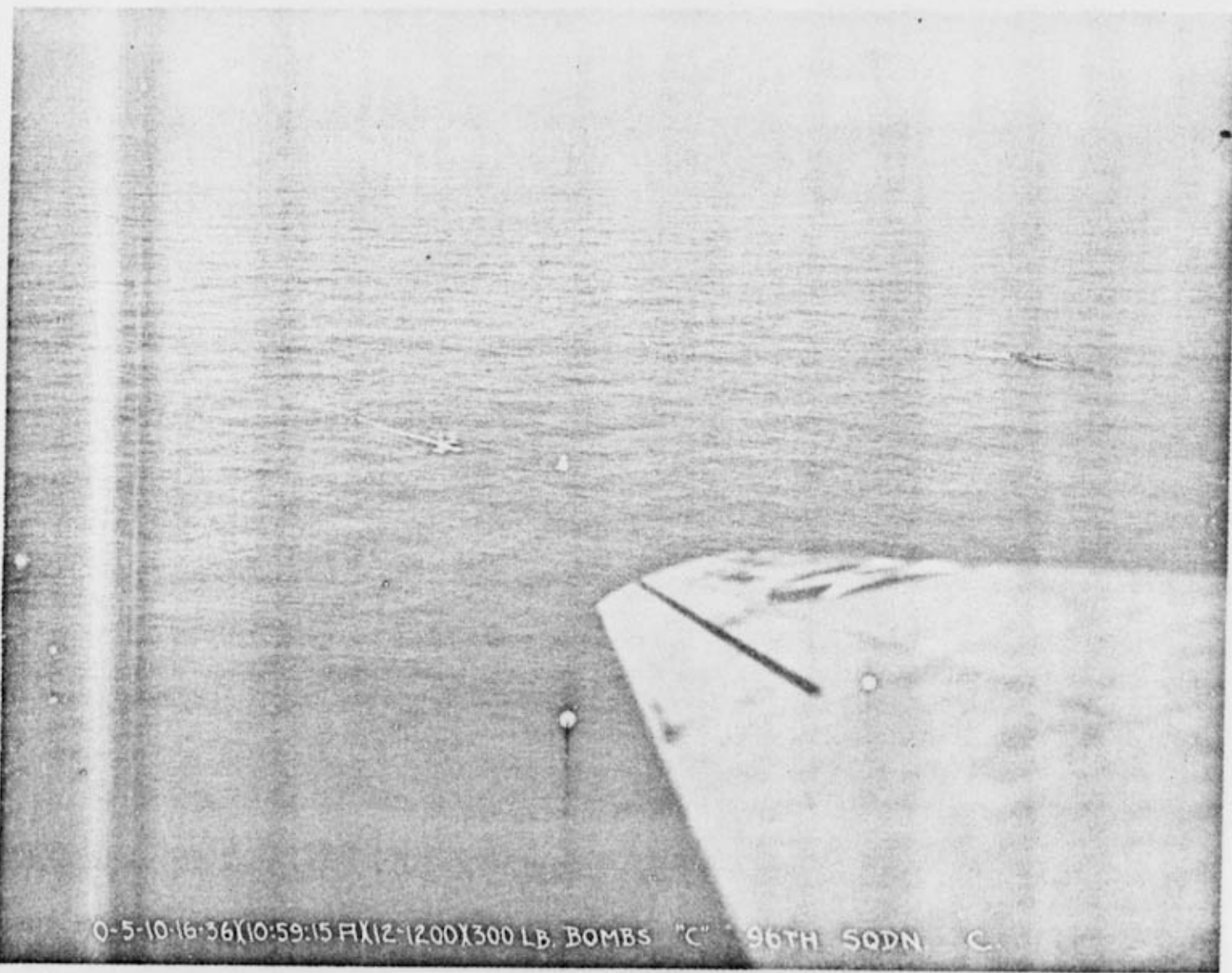
0-7-10-16-36-11-19:00X12-1600X300 Lb Bombs 49th Sqdn - D

plane at about 0825 when the Target Detachment was about 120 miles from Langley Field and about 95 miles off-shore. The weather was clear with unlimited ceiling and light wind. The bombardment group consisting of three squadrons of nine planes each was sighted at 1049 and commenced the attack at about 1116, at which time the Target Detachment was about 45 miles off-shore. The attacks were delivered from an altitude of about 8,000 feet. Approximately 126 300-lb. bombs were dropped. The accuracy of bombing was impressive but the bombers appeared to offer a vulnerable target for modern anti-aircraft defenses.

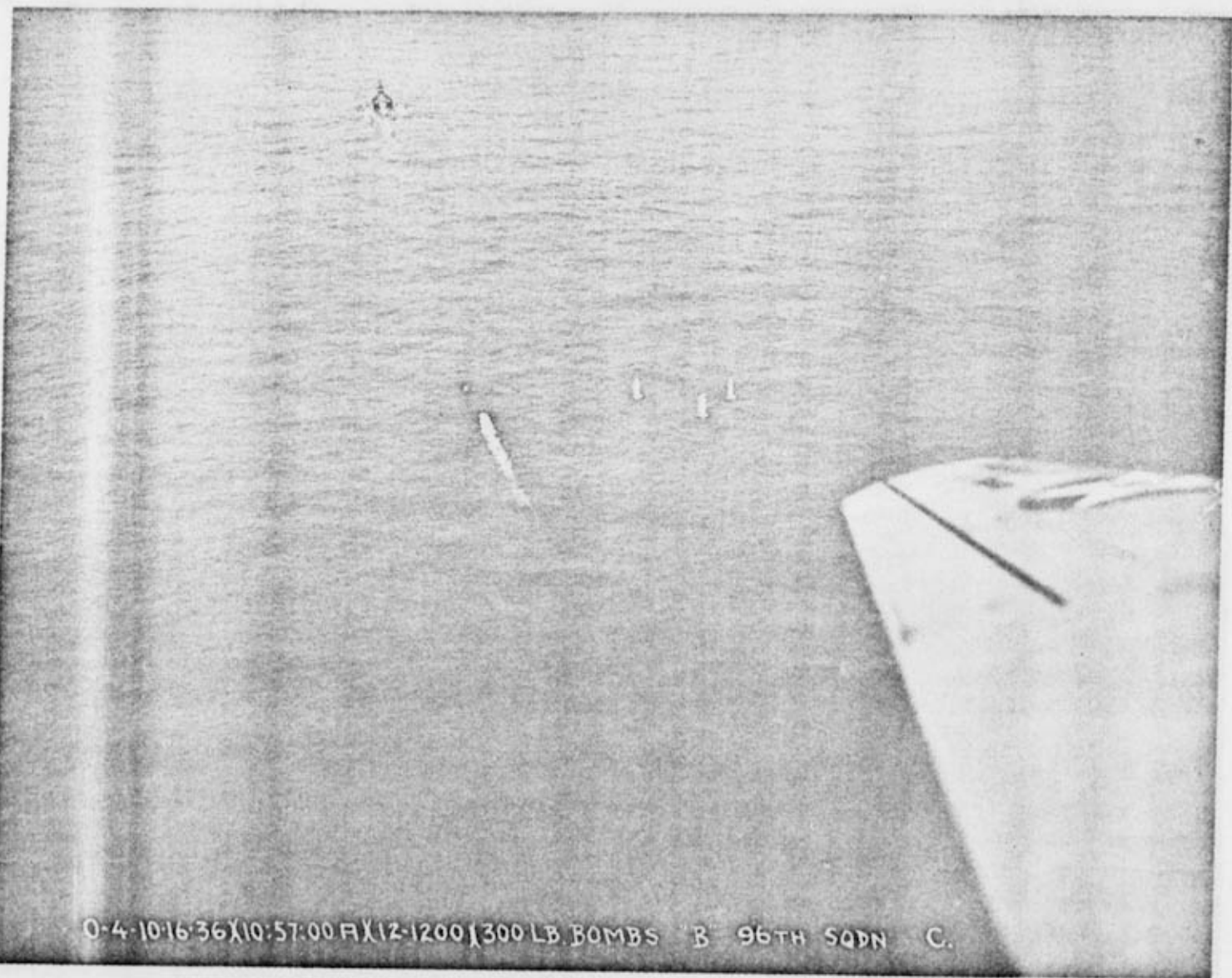
PROBLEM NUMBER TWO - (SECOND DAY)

8. The hostile ships approached the coast in close formation. The first contact report was made at 0750. At that time the Target Detachment was about 130 miles from Langley Field and about 75 miles off-shore. The bombing group was sighted at about 1015 and the attack commenced at about 1057 from about 12,000 feet. The weather was again ideal and the ceiling unlimited. The attacking squadrons were very difficult to detect and appeared to offer a very poor target to anti-aircraft defenses. On this attack the squadrons dropped about 131 300-lb., water-filled bombs and again the accuracy was impressive. After delivering this attack the bombing group returned to Langley Field, re-armed

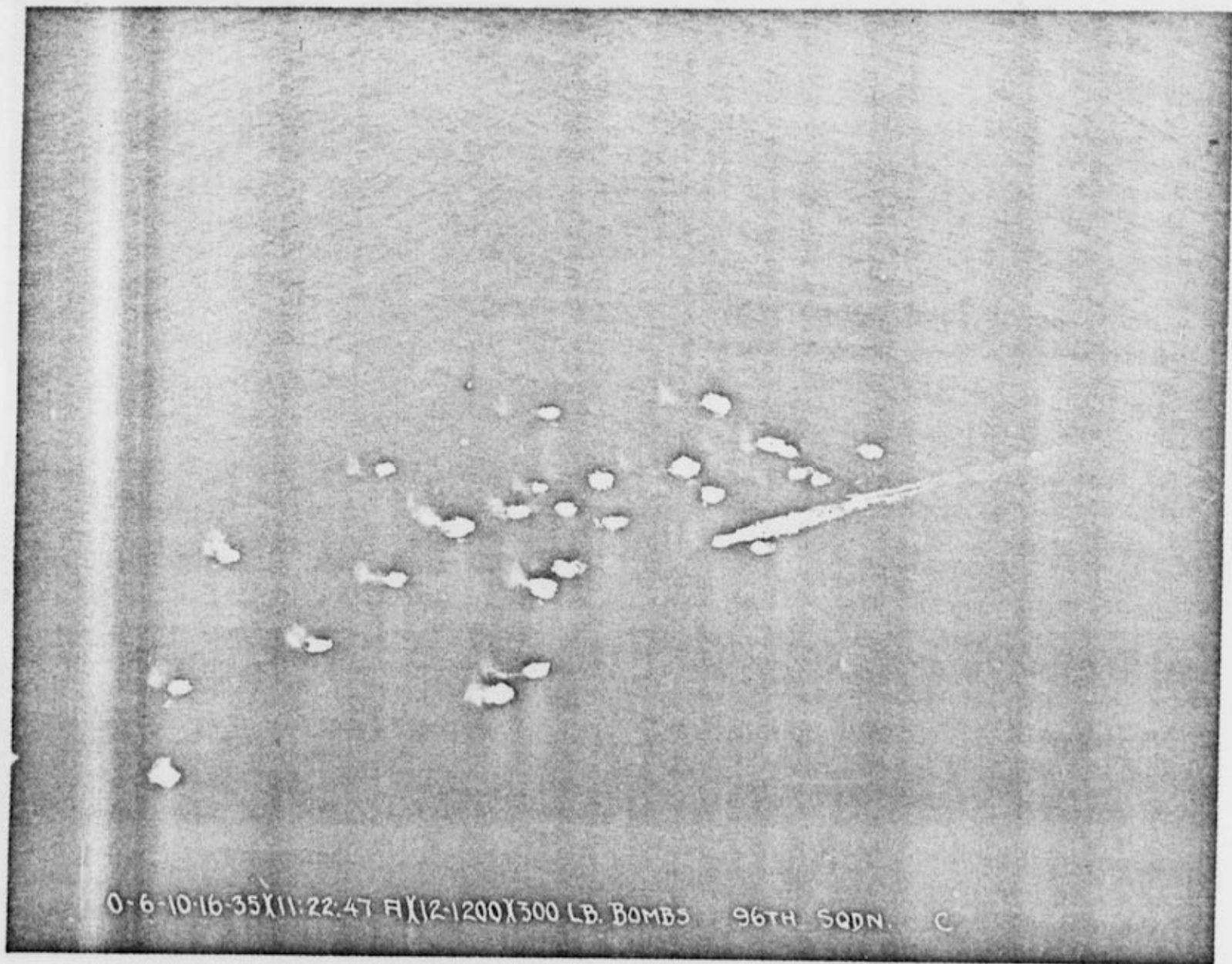
0-2-10-16-36X10:49:56RX12-1500X300LB.BOMBS "C" 96TH SODN. C



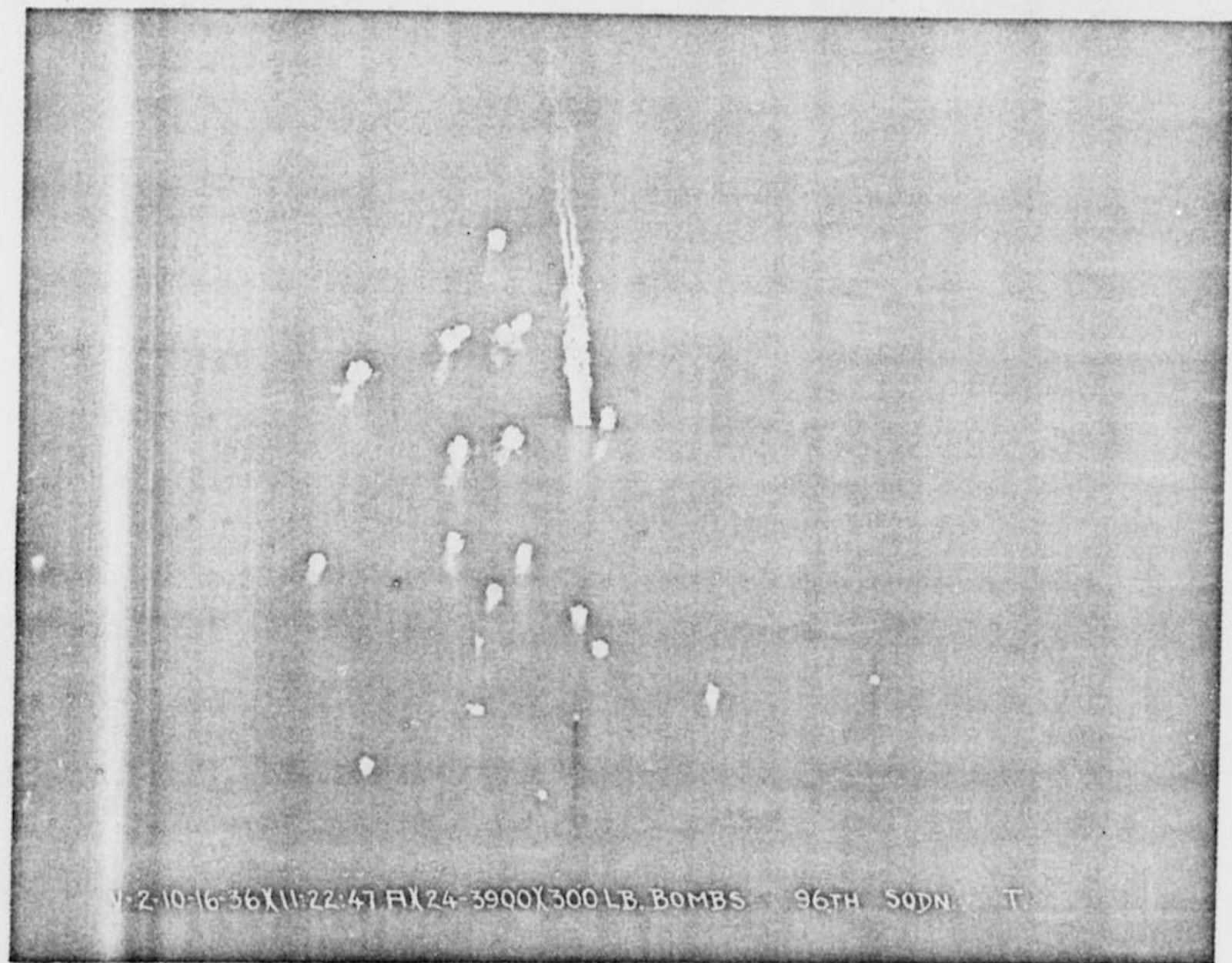
0-5-10-16-36(10:59:15 F)(12-1200)300 LB. BOMBS "C" 96TH SODN C.



0-4-101636X10:57:00FX12-1200X300LB BOMBS "B" 96TH SQDN C.



0-6-10-16-35X11:22:47 HX12-1200X300 LB. BOMBS 96TH SQDN. C



V-2-10-16-36X11:22:47 F1X24-3900X300 LB. BOMBS 96TH SODN T

with 100-lb., water-filled bombs and delivered a second attack at about 1615. This attack was delivered from an altitude of about 8,000 feet, as the ballistic error of the 100-lb. bombs at this altitude is comparable to that of heavier bombs at higher altitudes. On this attack about 185 bombs were dropped.

PROBLEM NUMBER THREE - (THIRD DAY)

9. The ARKANSAS and WYOMING in company and the TAYLOR about 75 miles to the northward approached the coast as directed. The weather was gray and threatening with a ceiling of about 7,000 feet.

TAYLOR

The TAYLOR was sighted by a surface patrol at about 0650 when she was about 200 miles from Langley Field and about 75 miles off-shore. An attack was delivered by one squadron of bombers commencing at about 1213 at which time she was about 85 miles from Langley Field and about 20 miles off-shore. 45 300-lb. bombs were dropped.

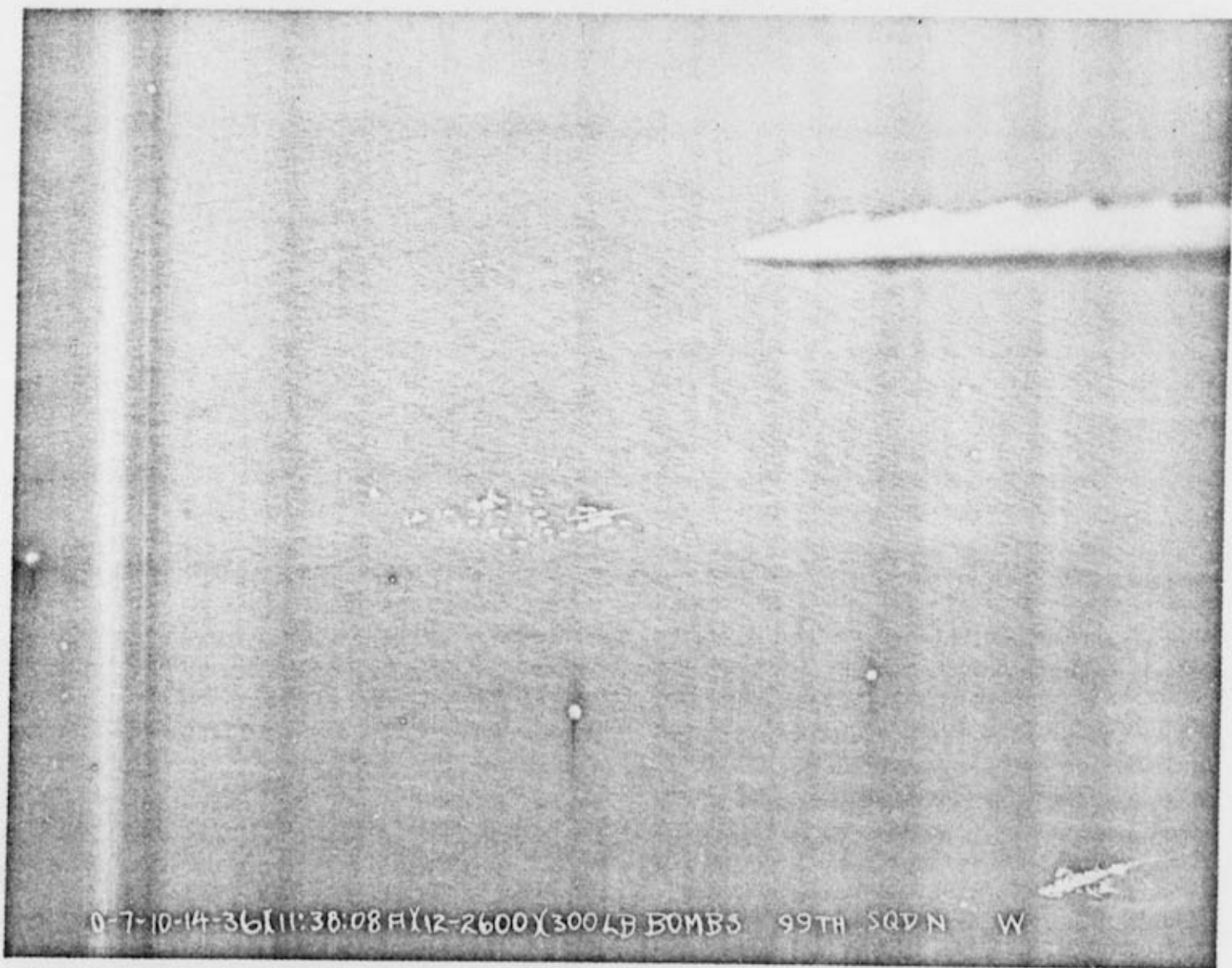
ARKANSAS - WYOMING

Contact was made at about 0755 when the ARKANSAS and WYOMING were about 110 miles from Langley Field and about 90 miles off-shore. An attack was delivered by two squadrons from about 5,000 feet commencing at about 1045. About 87 300-lb. bombs were dropped.

0-4-10-16-36-12.14.30X12-1800X300 Le Bonés"R" 99th Sqdn - V

0-3-10-16-36-12-12-15X12-2200X300 Lb Bones "B" 99th SQDN - W

0-6-10-16-36-12.2140X12-1500X300 Lb Bombs "B" 99th SQDN-W



0-7-10-14-36(11:38:08)X12-2600X300LB BOMBS 99TH SQDN W

0-7-10-16-36-12-29 20X12-2100X300 Lb Bones 99TH SADM - W

ALTITUDE

10. The altitudes at which the attacks were delivered were as follows, with ceilings as noted:

<u>PROBLEM</u>	<u>ALTITUDE</u>	<u>CEILING</u>
# 1	8,000 feet	Unlimited.
# 2 (1st attack)	12,000 feet	Unlimited.
(2nd attack)	8,000 feet	Unlimited.
# 3	5,000 feet	About 7,000 feet.

All of the bombing attacks were delivered as horizontal attacks, by planes flying either in flights of three planes each or in a solid diamond-shaped formation of nine planes each.

RESULTS

11. The fall of bombs were registered by aerial photograph and bearing from the towing and reference vessels. Although the data obtained was not mathematically accurate it can be assumed that a reasonably accurate estimate of the result is feasible. Results are computed on the basis of hits registered on a constructive target 600 by 90 feet with the actual high speed target at its center. A summary of the estimated results is as follows:

No. bombs dropped	574		
No. sure hits	117	Percentage sure hits	20.4
No. doubtful hits	34	Percentage doubtful hits	5.9
Total number hits	151	Percentage total hits	26.3

ARTIFICIALITIES

12. It is considered that the exercise was conducted in as realistic manner as possible under peace-time

conditions. However, in view of the fact that certain conclusions have been drawn, it is felt necessary to list the artificialities introduced:

- (a) As a safety precaution for the first exercise of its kind, the directive required that Army aircraft should not be forced to fly more than 100 miles off-shore.
- (b) The Target Group was required to pass a prescribed line at a prescribed time on a generally fixed course, thereby simplifying the scouting problem and sacrificing the element of surprise.
- (c) It was impossible for the Target Detachment to zigzag during bombing attacks due to innate difficulty in handling high speed targets and the length of towline (1,000 yards).
- (d) In all except the first attack of Problem Number Two, the planes attacked at altitudes which would have made them easy targets for anti-aircraft fire for considerable periods of time before the point of release was reached.
- (e) Plane maneuvers were hampered by the necessary restriction not to fly over towing and reference vessels.

COMMENTS

13.

- (a) This type of exercise is helpful to the national defense in developing efficient team work between Army, Navy and Coast Guard. Because of the differences in communication equipment and methods, such exercises in time of peace are necessary to develop a satisfactory system of communication between the services.
- (b) The Army observers on board the towing vessels were extremely interested, friendly and cooperative. The exchange of views between the services was helpful.
- (c) The critique was brief and instructive. General Andrews, U.S. Army, stated that he hoped that many similar exercises would be held and that the Army Air Force might eventually participate in fleet problem.
- (d) Horizontal bombing when conducted under conditions favorable to the attacking planes represents a very distinct menace to surface vessels.
- (e) Planes attacking at altitudes of 8,000 feet and below offer an easy target to modern anti-aircraft defense. Planes attacking at 12,000 feet or above are not only difficult to detect but offer an extremely poor target to anti-aircraft defense.

- (f) Effective defense against horizontal bombing attacks must be accomplished by breaking up the attack before the planes reach the point of release. Excluding defense by own aircraft, attacks can be broken up only by the surface vessels sighting the attacking planes in time to deliver an effective volume of accurate fire.
- (g) The delivery of effective fire can only be gained by an extension of the present policy of equipping ships with as many small and large caliber anti-aircraft guns as feasible.
- (h) The question of sighting the planes in time to deliver effective fire can only be solved, it is felt, by improved systems of air lookouts. These systems must be based on the following basic elements.
- (1) A large number of lookouts such that each one has but a small arc of azimuth and elevation to cover.
 - (2) Means of obtaining physical comfort for the air lookouts.
 - (3) Short watches for air lookouts in order that the senses may not be dulled by inactive monotony.

(4) Extensive training in concentrating on a given area in the sky.

(1) Inasmuch as the accuracy of the horizontal bombing depends to a considerable extent on the course of the target, it is believed that an effective measure of defense is a system of continuous zigzag (the ship never steadying on one course) in order to prevent the attacking plane from setting up an accurate "course of target" on the bomb sight, and in addition serving as a mental hazard to the bomber. It is felt that such systems of zigzag could be effectively worked out for different types of ships, each rendering a certain course and speed made good.

PSF Navy

October
[1936]

The President
If start is made from Annapolis
should recommend full half boiler
power (regular steaming water below),
about 27 knots.

If start is made from Miami, run
to Trinidad could be made at full
boiler power (water and water below),
about 30 knots. However I should recommend
the half boiler power ^{27 knots} from Miami to
Trinidad, in view of the distances beyond,
to be covered.

Paul Bastide.

Boats
hour!

Miami to Trinidad, 1482 mi 27 tons 30 tons
2da 7.0 hrs 2da 14 hrs.

refuel at Trinidad 0.5 da 0.5 da

Trinidad to Rio de Janeiro, 3431 mi 5 da 7.2 hrs

One day at Rio de Janeiro 1 da.

Rio de Janeiro to Buenos Aires, 1151 mi 1 da 18.7 hrs

6064 mi # 10 da 20.9 hrs 10 da 15.3 hrs #

Annapolis to Trinidad, 1887 mi 2 da 21.8 hrs. 2 da 14.5 hrs

refuel at Trinidad 0.5 da 0.5 da.

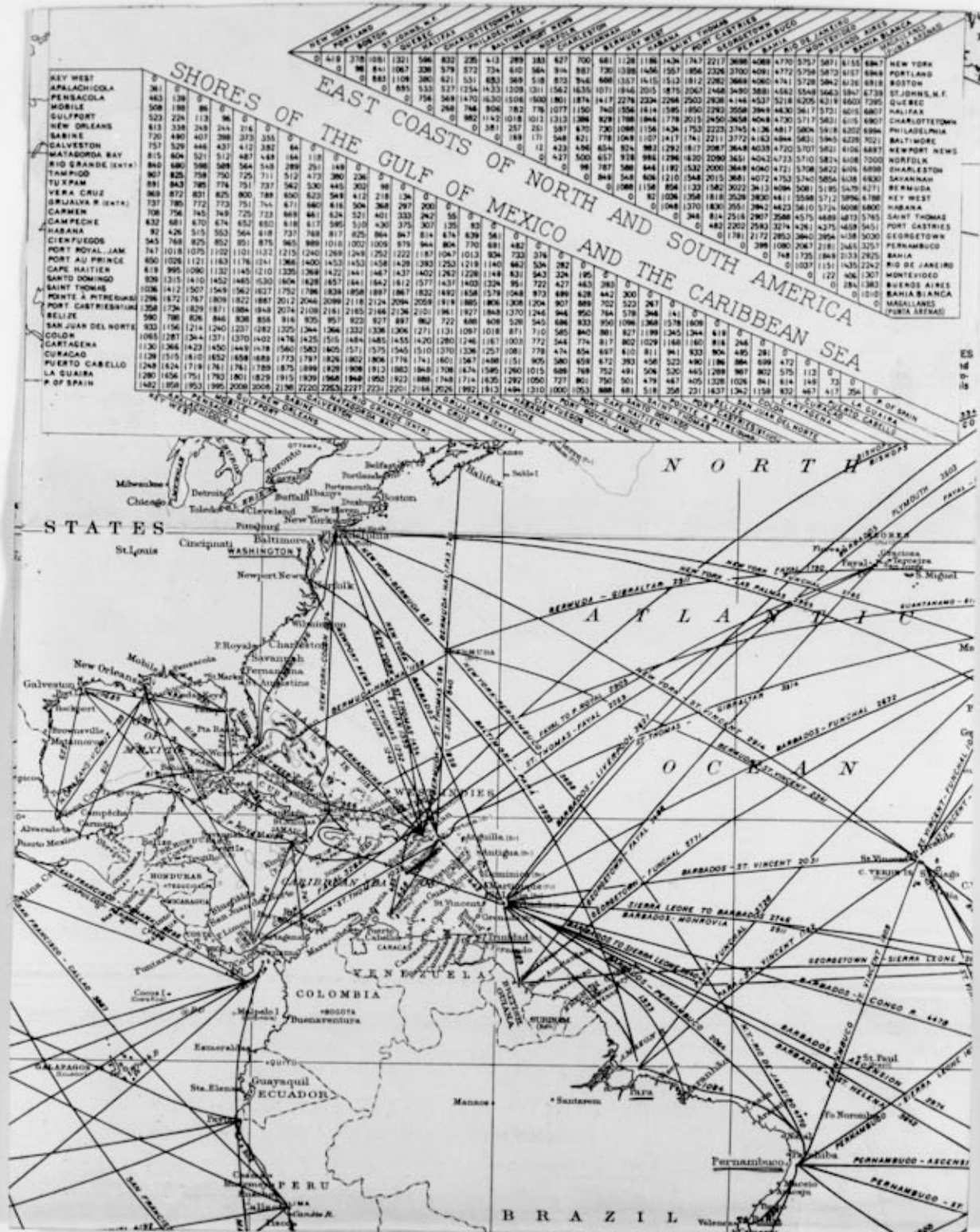
Trinidad to Rio de Janeiro, 3431 mi 5 da 7.2 hrs

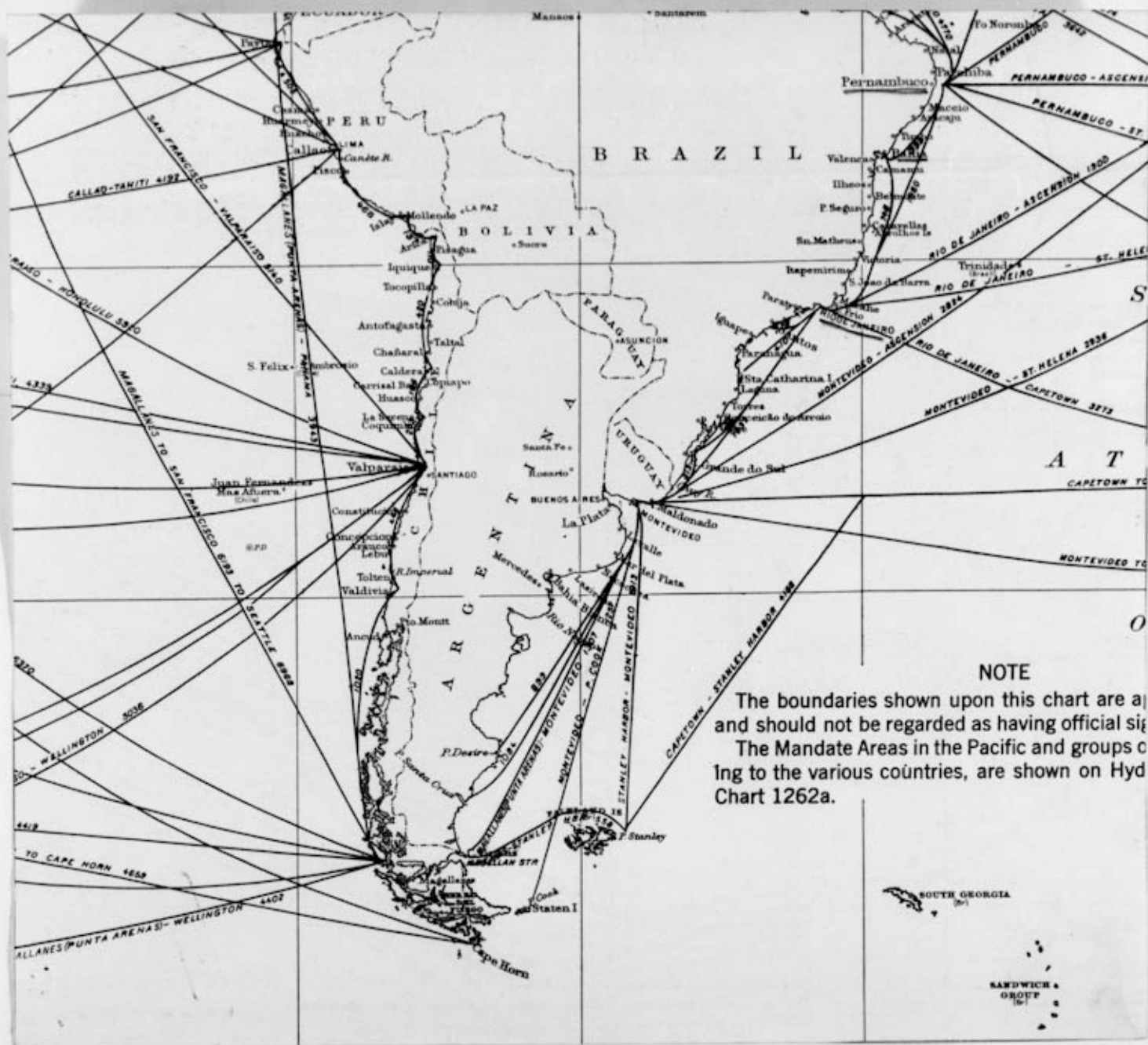
One day at Rio de Janeiro 1 da.

Rio de Janeiro to Buenos Aires, 1151 mi 1 da 18.7 hrs

6469 mi # 11 da 11.7 hrs. 11 da 4.4 hrs #

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.





In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

20 October, 1936.

Memorandum For The President:

1. The Itinerary puts us into Trinidad on Sunday morning - rather an undesirable day for contacts with the beach and also for fueling.
2. Possibly you will prefer to spend Saturday at Trinidad rather than Sunday.
3. The foregoing would involve leaving Washington a day earlier - that is, 10 November instead of 11 November, so as not to cut into the fishing time.
4. The foregoing would place us in Rio de Janeiro a day earlier - that is Friday, 27 November instead of Saturday, 28 November.
5. This will give us an extra day for the run from Rio de Janeiro to the Argentine naval base at Belgrano, which will come in handy as the run is approximately 1400 miles and we would otherwise have to make 29 knots. Also, this gives some leeway for docking at Belgrano.
6. It is my understanding that after 3 November, in case we find that a suitable seven passenger open touring car is not available in Buenos Aires, we will take down a White House car.
7. I am arranging to have a saluting battery put on the destroyer in which you will embark for the passage from Buenos Aires to Montevideo.
8. On 3 November the Navy Department plans to request the State Department to make the necessary arrangements with foreign governments for "the cruise".

Paul Bastedo.
Paul Bastedo.

In reply, address not the signer of this letter, but Bureau of Construction and Repair, Navy Department, Washington, D. C.

Refer to No.

NAVY DEPARTMENT
BUREAU OF CONSTRUCTION AND REPAIR
WASHINGTON, D. C.

December 2, 1936.

From: Rear Admiral E.S. Land, (CC), USN.
To: The President of the United States.
Via: The Secretary of the Navy.

Subject: Request for retirement.

1. It is with the greatest regret that I submit herewith my request for retirement after 39 years of happy service in the U.S. Navy, eight of which have been practically under the direct supervision of my present Commander-in-Chief.

2. This application is submitted for approval at the pleasure of the President but it is respectfully requested that action be taken thereon prior to March 16, 1937, which is the date of the expiration of my tour of duty as Chief Constructor, United States Navy.

3. This request is submitted in order that I may accept a civilian position which has nothing to do with ships or shipping and does not sell to the Government. However, it is made definitely subject to any desire on the part of the President for a continuation of my services in any capacity.

E. S. Land

Copy to: Bunav

file
Personal
Navy
Drawer 1-36
PSF
Mn
Navy

KK /P16-1 (361211)

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON

11 December 1936

*File
Navy
Psf*

My dear Mr. President:

With reference to my letter of 7 June 1936, recommending for the Navy an increase of three hundred twenty-seven (327) officers (line and staff) and ten thousand (10,000) enlisted men; and for the Marine Corps an increase of twenty (20) officers and fifteen hundred (1500) enlisted, the Bureau of the Budget has approved an increase of three hundred twenty-seven (327) officers and six thousand (6,000) enlisted men (three thousand (3,000) average) for the Navy, but has disapproved any increase for the Marine Corps.

The Marine Corps will be called upon to provide five (5) new ships' detachments in 1938, guards for at least two (2) new naval shore activities, and technical units for the Fleet Marine Force. No activities are being discontinued from which this personnel could be drawn.

Plans for a Treaty Navy, affirmed by the General Board, call for the orderly expansion of the Marine Corps along with the Navy. The Marine Corps has fallen behind in its proportionate increases and is now unable to meet the demands made upon it for personnel.

The Fleet Marine Force, as a tactical unit of the United States Fleet, has a definite mission in Navy war plans. Its Treaty Navy strength should be ten thousand (10,000) enlisted men - fifty percent (50%) of its initial war strength. By the end of this fiscal year it will be four thousand four hundred forty-five (4,445) men - twenty-two percent (22%) of its initial war strength. Unless additional personnel is allowed, it must be reduced in 1938 to provide marine detachments for the new ships and guards for the new naval shore activities.

Specifically, the twenty (20) new officers and fifteen hundred (1,500) enlisted men are needed for distribution in accordance with the enclosed table.

The total cost of this additional personnel would amount to:

Twenty (20) second lieutenants -	\$ 43,980
Fifteen hundred (1,500) enlisted men (average for year, seven hundred fifty (750))	- \$750,000
Total	- \$793,980

Clarence Swanson
Sincerely yours,

The President,
The White House.

Distribution of the twenty (20) officers and fifteen hundred (1500) enlisted increase needed by the Marine Corps for the fiscal year 1938:

Marine Detachments on new ships

	<u>Officers</u>	<u>Enlisted</u>
USS BOISE.....	1	31
USS BROOKLYN.....	1	41
USS HONOLULU.....	1	31
USS PHILADELPHIA.....	1	41
USS SAVANNAH.....	1	31
Flag Allowance for one flag- ship.....	0	7
Totals.....	5	182

FLEET MARINE FORCE

Aviation, Fleet Marine Force

Bombing Squadron for Air- craft #2.....	0	51
Utility and Service Squadrons Aircraft #2.....	0	50
Utility and Service Squadrons Aircraft #1.....	0	50
Totals.....	0	151
1 Battery 3" Antiaircraft Guns	2	108
2 Batteries .50 cal. MG Anti- aircraft.....	4	200
1 Battery Searchlight and Sound Locators.....	1	85
1 Hqtrs. and Service Battery Antiaircraft.....	1	42
1 Battery 155 mm guns.....	2	103
1 Battery 75 mm Pack Howitzers	2	85
1 Tank Company.....	2	105
1 Chemical Defense Company...	1	60
5th Marines.....	0	44
6th Marines.....	0	44
Communications Troops.....	0	30
Totals.....	15	906

Note: Guns, Tanks, Searchlights and other materiel have been secured or are under procurement for the above units but personnel is not available.

Guards for New Naval Activities

	<u>Officers</u>	<u>Enlisted</u>
Naval Air Station, Anacostia, D.C....	0	25
Fleet Base, San Clemente Island.....	0	50
Total.....	0	75

Other essential activities

Recruiting Services.....	0	4
Drill and Range Instructors at		
Recruit Depots.....	0	6
Rifle Range Detachments.....	0	12
Instructors and clerks N.C.O. Corres-		
pondence School and N.C.O. Tactical		
School.....	0	15
Q. M. School of Administration.....	0	15
Instructors Reserve Battalions.....	0	12
Service Troops.....	0	59
Recruits under instructions.....	0	63
Total.....	0	186
GRAND TOTALS.....	20	1,500

OPERATIONS

~~Packet~~
Sole
name

The President
You wished to have
a copy of this
Paul Bastide.

THE WHITE HOUSE
WASHINGTON

*file
confidential 12512 Navy*

U. S. S. INDIANAPOLIS,
Passage
Port of Spain to Charleston, S. C.
14 December, 1936.

Memorandum for Admiral Standley:

1. This morning your letter together with Admiral Hart's notes on government reorganization concerning matters maritime was shown to the President.

2. In general the President expressed approval of the ideas and said he would retain the paper for future reference.

3. The President desires that the following be kept confidential for the present, it being indicative of his trend of thought.

4. He made the following comment:

- Ultimately -

- (a) - The Coast Guard should be merged with the Navy and manned by Navy personnel, officers and men.
- (b) - The Coast Guard Academy should be abolished, officers for the Coast Guard to come from the Naval Academy.
- (c) - Transfer our Postgraduate School at Annapolis to the Coast Guard Academy at New London.

5. The President thinks that operation of the Coast Guard should be directly under the Secretary of the Treasury during peace time, with the Navy retaining complete control over personnel and materiel. This could be done by establishing in the Treasury Department a Coast Guard "Operation Office" (in charge of a Coast Guard or Naval Officer). This office would receive general directives from the Secretary of the Treasury and would issue operating instructions to carry out these directives. For example, a directive might be received to stop rum running in specified coastal areas.

6. The President also said that there were two methods of dealing with Coast Guard personnel. Either have regular Naval personnel detailed to the Coast Guard as we detailed them, for example, to the Train or submarines, or other particular service. The second method is to consider the Coast Guard as a special corps in the Navy, kept apart, as is the Marine Corps.

7. The President said that all of the actual map and chart making should be done in the Government Printing Office, after the material had been properly prepared by the office responsible for the map or chart.

8. He indicated that at present there are at least seven complete map and chart making outfits in the Government Departments and he proposes to have all of the mechanical work of printing done by one agency, the Government Printing Office.

9. The President's understanding is: that a government office, in getting out a chart, first prepares a manuscript from which is made a key chart and, after this has been completed, as many duplicates as are needed are made.

10. The President feels that the coastal survey work, as well as that beyond the three mile limit, should be done by the Hydrographic Office under the Navy.

11. The President indicated that the Lighthouse Service should be under the Navy.

Paul Bastedo.

Paul Bastedo,
Captain, U. S. Navy,
Naval Aide to the President.

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

175F Navy

WMS.
Navy

22 December, 1936.

Announcement regarding laying down of Capital Ships.

In accordance with the provisions of the Navy Appropriation Act of June 3, 1936, I have directed the Navy Department to proceed with the construction of two replacement Capital Ships. The keels of these ships may be laid in conformity with existing treaties at any time after January 1. Three of our battleships, the ARKANSAS, TEXAS, and NEW YORK, will be more than 26 years old before these ships can be completed. If we are not to reduce our Navy by obsolescence, the replacement of Capital ships can no longer be deferred.

The last Congress made an initial appropriation for "two Capital ships, as replacement of overage Capital ships, to be undertaken only in event that the President determines as a fact that Capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armaments signed at London April 22, 1930".

The London Naval Treaty of 1930 prohibited the United States, the British Commonwealth of Nations and Japan from laying the keel of any Capital ship prior to 1 January 1937, and this restriction has been faithfully observed. However, the laying of the keel does not mark the actual commencement of construction of a ship. Prior to laying the keel contracts must be

let and material assembled.

On July 29, 1936, Sir Samuel Hoare, First Lord of Admiralty announced that the orders for two battleships of the 1936 programme had been let and stated

"It is the intention that the keels should be laid at the earliest possible moment permitted by the Washington Naval Treaty; namely in January 1937. In order to achieve this object, it is essential to order the vessels now, and although complete specifications will not be available until October, there is sufficient information available to enable the contractors to prepare for laying down the keels in January next."

In addition to these two British battleships, whose construction has been undertaken since the passage of the Navy Appropriation Act, eight other Capital ships are under construction in the following countries, three in France, two in Italy and three in Germany.

Some time will elapse before bids can be obtained and contracts awarded and additional time will be required for the contractors to assemble material before the keels of our two ships can be laid.

Standley

B F Navy



2 *[Signature]*
① *[Signature]*

U. S. S. Wyoming,
Enroute San Diego, Calif.,
10 January, 1937.

My dear Mr. President:

This is to acknowledge your letter of 31 December, 1936, in which you expressed your "Sincere personal appreciation" of my "long and distinguished service to our Nation".

Usually service compensation for honest effort is the consciousness of work well done and to have that consciousness confirmed by the personal approval and commendation of my Commander-in-Chief is the highest compliment which could be paid me.

May I presume to add, sir, that the sympathy and support which you have given to the Navy since your inauguration as President has been an inspiration to every officer and man of the service and more than any other one thing is responsible for the high moral and the cheerful efficient performance of duty which now characterize that service.

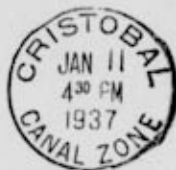
For myself and for the Navy, Mr. President, I thank you.

Most respectfully,

W. H. Standley
W. H. Standley,
Rear Admiral, U.S. Navy, Retired.

The President of the United States,
The White House,
Washington, D.C.

Air Mail.



The President of the United States,
The White House,
Washington, D.C.

(Personal)

OFFICE OF THE SUPERINTENDENT
UNITED STATES NAVAL ACADEMY

8 February 1937

PSF
F. Navy
Personal

My dear Mr. President:

Your generous message in praise of the appearance of the Regiment of Midshipmen in the Inaugural Parade is cordially appreciated. I have caused your letter to be published to the Regiment and I know that it will be a source of inspiration and pride to them to receive this commendation coming from the President of the United States, in whom they have a more particular interest as their Commander-in-Chief.

You will be interested to read and will enjoy the comment of one of these midshipmen who wrote home to his parents after the Parade. A letter received from the parent, quoted the midshipman in part as follows:

"Then the big moment came as we marched by the reviewing stand. Roosevelt and Garner both in top hats. The President took off his hat and put it over his heart and smiled as we 'plodded' by..... I wouldn't have missed it.....It was quite a thrill marching by the 'Big Chief.' "

The above sincere and unstudied tribute epitomizes the quality of inspiration which these young men experienced on this historic occasion and I know that they will carry through life the memory of it.

Respectfully,

D. F. Sellers
D. F. Sellers,
Rear Admiral, U. S. Navy,
Superintendent.

The Honorable Franklin D. Roosevelt,
The White House,
Washington, D.C.

In reply refer to Initials
and No.

*File
Personal*

*PSF
Navy*

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

CONFIDENTIAL

10 April 1937

MEMORANDUM FOR THE PRESIDENT

Referring to your memorandum dated 8 April 1937 regarding the caliber of main battery guns for new battleships, I have investigated the effect of delaying final decision and find as follows:

Decision to install sixteen inch guns can be made as late as 15 May 1937 without causing any delay in the completion of the ships.

Delay in deciding on sixteen inch guns until 1 July 1937 will cause a two months delay in the completion of the ships.

Delay in the decision to a later date than 1 July 1937 will cause added expense and a serious delay in completion of the ships.

Delay in the decision until 1 January 1938 will make it practically impossible to install sixteen inch guns.

Experiments are proceeding with the purpose of improving the performance of the fourteen inch gun but it is not believed that conclusive evidence can be obtained from these experiments by 1 January 1938.

The following information bearing on the subject matter of this memorandum is received by the Navy Department on 9 April in a draft memorandum transmitted by the Department of State.

At the opening of the Anglo-Soviet naval negotiations the Soviet Government made the following reservation in regard to the construction of capital ships: *Franklin D. Roosevelt Library*

DECLASSIFIED

DOD DIR. 5200.9 (9/27/59)

Date- 2/12/59

Signature- *Carl F. Spicer*

"In so far as a considerable number of existing capital ships of the chief naval Powers carry 15 and 16 inch guns, the Union of Soviet Socialist Republics reserves for itself the right to construct, prior to the 1st January, 1943, such a number of capital ships, with guns not exceeding 16 inches, as that of such ships belonging to the Power a party to the London Naval Agreement, possessing the smallest number of such ships."

The Soviet Government was unable to accept the United Kingdom proposal to reduce the gun caliber from sixteen to fifteen inches in the first two Soviet battleships.

"The position of the German Government in this matter is that they are prepared in principle to accept the 14-inch gun if other Powers do, but would feel compelled to retain the right to arm all their future capital ships with guns up to 16-inch calibre if a special exception should be made in favor of Soviet Russia as regards the two initial vessels."

Claude A. Hurwicz.

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~
April 8, 1937.

MEMORANDUM FOR

THE SECRETARY OF THE NAVY

I have noted with interest your letter of April seventh in regard to caliber of main battery for new battleships.

Following our discussion in Cabinet meeting the other day, I suggest the following be followed:

1. Pending informal conferences with Great Britain during the next month or two, we should assume that no other Nation has gone to the 16" gun. I am not willing that the United States be the first Naval power to adopt the 16" gun.
2. It is my belief that the Navy should immediately undertake the construction of a new type 14" gun and that it be tested experimentally as soon as possible.

THE WHITE HOUSE

WASHINGTON

-2-

3. Because of the international importance of the United States not being the first to change the principles laid down in the Washington and London treaties, it seems to me that the plans for the two new battleships should contemplate the 4 gun turret 14" gun.

Please let me know when final determination must be made, i.e., the date that change to a 16" gun would be impossible.

F. D. R.

URGENT

(SC)BB/S1-1.

THE SECRETARY OF THE NAVY.

WASHINGTON.

~~CONFIDENTIAL~~

7 April, 1937.

Franklin D. Roosevelt Library

DECLASSIFIED

DDO DIR. 5200.9 (9/27/52)

My dear Mr. President:

Date- 2/12/59

Signature- *Carl T. Spencer*

The enclosure furnishes technical comparisons which were employed in connection with arriving at the decision to recommend a 16" caliber for the new Battleships. Studies have been complete and thorough, have been conducted over a period of approximately two years, and have resulted in agreement on the part of appropriate agencies of the Navy Department, including the last two Chiefs of Naval Operations and the last two details in the higher command afloat. I do not need to invite your attention to the fact that such unanimous concurrence of opinion is unusual among technical and engineering authorities generally. For this reason, I regard this unanimity as further proof of the soundness of the recommendation to employ 16" caliber.

It should be noted that the Navy Department, as far back as the 1916 Building Program, went unreservedly for the 16" caliber as the most advantageous caliber for use in connection with national aims and policies. The fact that only three, instead of the majority, of the ships of our present fleet are equipped with 16" guns, is due to the intervention of the treaty which provided for the scrapping of our most modern instead of our older ships.

It should not be overlooked that we have had experience with the three 16" Battleships in active service in the fleet over a period of more than ten years. During this time the 16" combination of gun, projectile, and powder has proved to be ballistically the best combination our Navy ever developed in major caliber guns. The fact that other navies may prefer the 14" caliber may be due to their lack of such satisfactory results with 16" caliber, or to their feeling that the use of a projectile of weight approximating that of the 16" projectile will give them substantially 16" performance as to

armor penetration from 14" caliber.

I would like to invite your attention to the technical fact that the limitation of naval strength in the detail of gun power by simply prescribing the limiting caliber of the gun does not actually control the gun power involved. In recent investigations by the Navy Department it has been accepted theoretically that a considerable increase in the weight of projectile for any caliber of gun may be made, if there is a willingness to sacrifice a certain amount of maximum range in the design. It is equally true that in so far as armor penetration is concerned, the results depend upon the weight of the projectile and its velocity at point of impact, other details of projectile design being considered equal. For real limitation of gun power, it would therefore be necessary to specify the caliber of the gun, the weight of the projectile and the muzzle velocity. To limit one characteristic without the others, makes it possible as between 14" and 16" calibers to build an unconventional type of 14" gun with approximate conventional 16" gun performance characteristics if a few thousand yards are sacrificed in maximum range.

Recent press clippings have stated that this is what the British Navy is proposing to do with its new design of battleship. If the United States agrees to a 14" caliber limitation for our new battleship, and if we assume that the rumors from the British Navy are correct, our new battleships will be inferior to new British battleships in the ratio of 14" performance to 16" performance. In view of our technical situation, it is considered impossible to assure ourselves of developing a projectile of approximate 16" performance for use in the 14" battery for the new battleships, because such development would require a period of at least two years, and more than likely three years. It is thus impossible to assure the use of such heavy 14" projectile in our new battleships if these ships are to be completed in a reasonable period of time.

If other navies use either a 16" caliber, or a 14" caliber employing the heavier projectiles, it will be impossible for the United States Navy to match such foreign gun power in the two new battleships unless we go in fact to the 16" caliber.

The designs of our new battleships have been made employing either three quadruple 14" turrets or three triple 16" turrets. Because of other requirements for these new ships, the major caliber batteries were of necessity limited to three emplacements. In order to obtain the most advantage out of this limited number of emplacements with guns of 14" caliber, the 14" quadruple turret was resorted to in an effort to get an accept-

able number of guns of this caliber on the ship. It was necessity (tentative treaty restrictions), and not choice which led to consideration of these quadruple 14" turrets.

While our studies indicate that such a design is practicable, it should not be lost sight of that the quadruple 14" design is more or less in the nature of an experimental project in the sense that we have never built a quadruple turret. The studies of the triple 16" turret clearly indicate that it is a far better turret from the standpoint of space, of operation, of economy of personnel, of gunnery performance and of technical details than the quadruple 14" turret. Moreover, the 16" triple turret can be better protected in that vital part which it presents to the enemy, namely, the face plate, than can the 14" quadruple turret.

There is no doubt in the Department but that the nine 16" gun ship has more offensive power and should win an engagement with a twelve 14" gun ship.

The Department is a unit in unqualifiedly recommending the 16" gun for the new battleships and believes that to accept a lesser caliber runs a very real risk of producing a ship inferior to her foreign contemporaries.

Sincerely yours,

Claude A. Swanson.

The President,
The White House.

BM

COMPARISON OF 14"/50 AND 16"/45 GUNS

In making the comparison of 14"/50 and 16"/45 guns on the attached sheet, the following points have been considered:

- (1) This comparison is based on use of 1500 pound 14" and 2250 pound 16" projectiles, the type which would be provided by the Bureau of Ordnance for new capital ships.
- (2) Under heading "Side Penetration", the range given is the outside limit for penetration at 90° target angle.
- (3) Under heading "Deck Penetration", the range given is the inside limit for penetration.
- (4) Under the heading "Enemy Immunity Zone", a comparison of the zones applicable to MUTSU, NELSON, and a "type" ship with selected side and deck armor is given. The range given opposite "side" is the outside limit for penetration at 90° target angle; the range opposite "deck" is the inside limit for penetration. The difference between the two values gives the "Immunity Zone", a negative value indicating overlapping zones or "no immunity" at a range less than the maximum range of the gun. "Zone Center" indicates the range to the center of the "Immunity Zone".

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- *Carl S. Spicer*

~~CONFIDENTIAL~~

	<u>14"/50</u>	<u>16"/45</u>
(a) Life of Gun (Rds.).....	250	250
(b) Initial veloc. (f.s.).....	2700	2500
(c) Proj. Weight (lbs.).....	1500	2250
(d) Proj. Length (calib.).....	4	4
(e) <u>Range (yards)</u>		
30°	36,800	35,000
35°	39,800	37,500
40°	42,100	39,300
45°	43,200	40,200
(f) <u>Side Penetration (yds)</u>		
16"	17,600	20,000
15"	19,000	21,900
14"	20,700	23,900
13½"	21,600	25,000
13"	22,600	26,100
(g) <u>Deck Penetration (yds)</u>		
7"	35,900	32,200
6½"	33,700	30,500
6"	32,900	29,400
5"	29,400	26,100
4"	25,200	22,000
(h) <u>Enemy Immunity Zone (yds)</u>		
13" (side).....	22,600	26,100
4" (deck).....	25,200	22,000
MUTSU "ZONE".....	<u>2,600</u>	<u>-4,100</u>
Zone Center.....	24,000	24,000
14" (side).....	20,700	23,900
6½" (deck).....	33,700	30,500
NELSON "ZONE".....	<u>13,000</u>	<u>6,600</u>
Zone Center.....	27,000	27,000
16" (side).....	17,600	20,000
6½" (deck).....	33,700	30,500
SPECIAL "ZONE".....	<u>16,100</u>	<u>10,500</u>
Zone Center.....	25,000	25,000

~~CONFIDENTIAL~~

*file
personal*

PSF Navy



In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

①

21 May, 1937.

Dear Mr. President:

May I tell you that I appreciate greatly your thoughtfulness in letting me have a copy of, "Fishes and Fishing in Louisiana", which you so kindly autographed?

I picked up the book last evening and could not put it down. It seems to be chock full of useful information for a novice - just the thing I need.

Respectfully and Sincerely,

Paul Bastedo.
Paul Bastedo.

The President,
The White House,
Washington, D. C.

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS

Op-38-IMJ

WASHINGTON

23 July 1937.

Memorandum for the President.

1. The OMAHA grounded off Castle Island at 3:35 A.M. on 19 July. She was on her way for navy yard overhaul at Charleston, S.C.
2. Immediate steps were taken by the ship to shift weights aft, dump water, land stores and lighten the ship.
3. The Navy ordered from Guantanamo the SALINAS (oiler) and the LAPWING and MALLARD (tugs) from the Canal Zone to proceed to assist.
4. The PATRIOT, a small patrol boat, was also sent from Guantanamo. The Coast Guard despatched the following cutters to assist: The MOHAVE, PANDORA, MARION, TAMPA and UNALAGA. As certain of these were too small for towing work they were released, and the ships at present with the OMAHA are the SALINAS, with one 500 ton lighter, the PATRIOT, the UNALGA, Coast Guard, (to be released upon arrival of the TAMPA).
5. The MOHAVE, with the LAPWING are scheduled to arrive the 23rd and the MALLARD towing fuel oil barge to arrive on the 24th.
6. A Merritt Chapman tug, the KILLERIG, is now with the OMAHA. Another Merritt Chapman tug, the WARBLER, is on the way to the OMAHA.
7. A Naval Constructor from the Department, Commander Powers, was sent on Monday night, the date of the grounding, by air and arrived on board the OMAHA at 4 o'clock the next afternoon.
8. Attempts have been made on each succeeding high tide to float the ship and the work of lightening her is proceeding constantly. On three occasions the U.S.S. PORTER, a new destroyer enroute to the West Coast, was utilized to make a high speed wave.
9. The status of the ship as regards damage is given in the following despatch:

*File PsF
to file till
nany*

22 July

" From: USS OMAHA
Action: Opnav

1022 Your 3822 1202 damage to bottom generally from bow to frame 70 consisting primarily lightly to moderately buckled floors transverse frames and shell plating nothing structurally serious with skin practically in tact little leakage no flooding worst damage in way forward engine room floors but apparently not enough to misalign machinery keel appears generally in tact vessel rests on white coral sand easy sloping flat ledge which drops off suddenly into deep water basic ledge probably coral there is no place for assisting pulling vessels to anchor astern to get strain prevailing winds from east to southeast with strong westerly current swing assisting vessels from their positions situation aggravated due tidal range only 1 or 2 feet and fact vessel was somewhat low in oil water and stores when grounded at approximately high tide while en route to yard overhaul ships bottom is grounded between frames 31 and 92 period mean draft before grounding 16 feet 8 inches gives displacement about 9000 tons draft after grounding 7 feet forward 17 feet 9 inches aft gives displacement about 6540 tons have discharged about 500 tons anchor chains 6 inch projectiles torpedoes smaller ammunition boats planes miscellaneous stores fresh water leaving a net grounded weight of 1960 tons considerable of which must be removed before any hope pulling off period remaining weights that can be readily removed by ship amount to about 600 tons including 400 tons oil which will be pumped into barge tonight period In view above conditions need additional salvage vessels comma equipment and assistance early as possible to remove heavy top side weights such as guns catapults tubes miscellaneous gear period Crane necessary to handle 10 ton guns 15 ton catapults period Due to shallowness of water will not be able to use any vessel of deep draft alongside see my 1019 1010 for water depths at sides Killerig putting out 2 more strain anchors and will try another pull high tide late today with Killerig Mohave and Unalga after removal oil tonight will try again Friday weather has been generally favorable however prevailing winds over shallow ledge with consequent choppy sea make it almost impossible to work shallow craft on starboard side period due approach of hurricane season requested assistance considered urgent 2000"

10. The Department's reply to the despatch just quoted is as follows:

"TO U.S.S. OMAHA

23 July

1023 Your 1022 2000 impracticable provide derrick removal guns other heavy topside weights stop This procedure not considered necessary by salvage expert stop Merritt Chapman Scott directed send salvage vessel Warbler Key West to assist

salvage operations and definite instructions issued that firm proceed salvage accordance terms existing annual salvage contract stop Salvage experts consider best chance successful floating vessel is by use beach gears assisted by salvage vessels with reasonably rough seas after strain brought on beach gears and by pulling vessels stop Understand four sets beach gears now laid out by Killerig and that additional beach gears will be placed after arrival Warbler."

11. The latest despatch in connection with the OMAHA is quoted below:

"From: USS OMAHA
Action: Opnav

22 July

1022 Made another unsuccessful attempt from 1830 to 2000 with Mohave Killerig and Unalga pulling and Porter making wave front period Waves made ship pivot about bridge and roll slightly so as to shift heading from 354 to 347 and increasing port list to two degrees vessel moved aft possibly three feet pounding during wave movement caused further slight buckling of forward engine room floors bending of copper condensers piping and other minor damage period Further wave making believed undesirable Porter ordered to proceed will make another attempt Friday after removal oil 2142."

W.H.L.

Leahy. —

In reply refer to Initials
and No.

file confidential

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

PSF
Navy

JOR/LA

29 July 1937.

Memorandum for Assistant Secretary of the Navy.

Subject: Possible Evacuation American Nationals from
North China - Capacity of Naval Vessels for.

Ships now north of Shanghai	2685
Ships now at Shanghai	175
Ships now south of Shanghai	350
Total	3210

The Army will have no transport on the Asiatic
Station until 21 November.

The U.S. Omaha was floated off the
reef at Castle Island on Thursday 29 July -

In conference with the Under Secretary of
State the Navy Department seems to have met
all State Department desires in regard to the
loan of Destroyers to Brazil.
It is believed that any bill to
authorize this loan should not be referred to
the Naval Committee. U.S.L.

file

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

Op-10A Hu

30 July 1937

MEMORANDUM FOR THE ASSISTANT SECRETARY

1. The following is the number of U.S. Marines on the Asiatic Station:

In China

	<u>Officers</u>	<u>Men</u>
Peiping -	25	494
Shanghai -	63	1015
Total	88	1509

Asiatic Fleet

7

162

(Augusta, Tulsa,
Sacramento, Asheville)

Philippines

Cavite	7	303
Olongapo	$\frac{4}{11}$	$\frac{61}{364}$

Grand Total

106

2035 ✓

2. I am informed that the Army has a regiment of 900 men at Tientsin.

WHL

NAVY DEPARTMENT
WASHINGTON

30 July 1937.

MEMORANDUM FOR THE PRESIDENT

1. Your memorandum of 17 July 1937 inquired as to how much additional in the way of buildingways and shop facilities would be necessary at the Navy Yards, Boston, Philadelphia, Norfolk, Charleston, New Orleans and Mare Island,

to build

1 ship (hospital ship, passenger ship, transport)

of

10,000 tons - 15,000 tons - 20,000 tons

if found desirable by Administration policy, because of the possibility that in the next two or three years there would be more than enough Merchant Marine work to occupy all existing private shipbuilding plants, and enough naval work to utilize all navy yard facilities.

2. You also requested recommendation as to a method of determination of cost or fair prices from privately owned steel companies for steel plates and shapes; for naval construction. This is being answered in a separate letter.

3. The attached statement is respectfully submitted in compliance with your request.

4. The estimates herewith are based on the following assumptions:-

- (a) That the policy of building every alternate ship in a Navy Yard will be continued.
- (b) That the proposed auxiliary naval vessel program will be passed by Congress.
- (c) That the contemplated naval building program for the fiscal years 1939-1941 will be carried out.

5. If these assumptions prove correct, practically all existing navy yard shipbuilding facilities will be in use or obligated by June, 1939, so that to add the six (6) proposed Merchant type vessels will require six (6) new building ways.

Charles E. Price

28 July 1937.

SUMMARY.

Estimated Cost of Additional Facilities Needed at the
Following Navy Yards.

<u>BOSTON:</u>	1 building ways complete	\$1,500,000	
	Plant improvements	910,000	
	Machine tools	<u>575,000</u>	
			\$2,985,000 Total.
<u>PHILADELPHIA:</u>	1 building ways complete	\$1,500,000	
	Plant improvements	710,000	
	Machine tools	<u>250,000</u>	
			\$2,460,000 Total.
<u>NORFOLK:</u>	1 building ways complete	\$1,500,000	
	Plant improvements	350,000	
	Machine tools	<u>200,000</u>	
			\$2,050,000 Total.
<u>CHARLESTON:</u>	1 building ways complete	\$1,500,000	
	Plant improvements	900,000	
	Machine tools	<u>700,000</u>	
			\$3,100,000 Total.
<u>NEW ORLEANS:</u>	1 building ways complete (small vessel)	\$700,000	(side launching)
	Plant improvements	12,575,000	
	Machine tools	<u>3,000,000</u>	
			\$16,275,000 Total.
<u>MARE ISLAND:</u>	1 building ways complete	\$1,500,000	
	Plant improvements	850,000	
	Machine tools	<u>300,000</u>	
			\$2,650,000 Total.
	GRAND TOTAL		\$29,520,000

The foregoing estimates (except that for New Orleans) are for the largest vessel, 20,000 tons. For the smaller types, deduct \$400,000 for each building way except at New Orleans. No deduction is to be made in plant improvements or machine tools.

Boston: (a) Equipped to build 2 destroyers a year and has done so for several years past. These destroyers are built in drydock #2, - two at a time. There is only 1 buildingway at Boston, 445 ft. long, by 60 ft. wide, which needs major reconditioning.

(b) Present shipbuilding:

Destroyer Mugford (DD389) afloat and nearing completion.
 Destroyer Ralph Talbot (DD390) afloat and nearing completion.
 Destroyer Mayrant (DD402) building in drydock #2, 10% completed.
 Destroyer Trippe (DD403) building in drydock #2, 10% completed.
 Destroyer O'Brien (DD415) keel not laid, probably January, 1938.
 Destroyer Walke (DD416) keel not laid, probably January, 1938.

(c) Shops, other facilities and machine tools must be increased as follows:

	<u>Plant</u>	<u>Tools</u>
New structural shop	\$600,000	\$300,000
Remodeling old structural shop for pipe shop	100,000	75,000
Plate yard	60,000	
Extend and repair pier 5 or 6	150,000	
Tools for machine shop, welding, etc.		200,000
	\$910,000	\$575,000
Total Plant and Tools.		\$1,485,000
New Buildingway.		1,500,000
TOTAL BOSTON.		\$2,985,000

Philadelphia: (a) Equipped to build battleships, cruisers and smaller vessels. Now building one battleship, two cruisers and two destroyers.
Has buildingways as follows:

Ways #1 464 ft. long by 70 ft. wide, small vessels (double ways).
Ways #2 720 ft. long by 120 ft. wide, capital ship.
Ways #3 852 ft. long by 120 ft. wide, capital ship.

(b) Present shipbuilding:

Light Cruiser PHILADELPHIA (CL41) afloat and nearing completion.
Heavy Cruiser WICHITA (CA45) buildingways #2, 60% completed.
Destroyer RHIND (DD404) keel not laid, probably October, 1937.
Destroyer BUCK (DD420) keel not laid, probably January, 1938.
Battleship WASHINGTON (BB56) keel not laid, probably September, 1938.

(c) Some shops, particularly the machine shop which is small and old, must be improved, and other facilities and tools are needed as follows:

	Plant	Tools
Increase steel storage, plate and angle	\$150,000	
Enlarge machine shop	100,000	\$100,000
Extend copper and pipe shop	60,000	50,000
Enlarge electric shop	200,000	50,000
Covered Welding platforms	100,000	
Tools for structural shop		50,000
Tracks and switches	50,000	
Rolling stock	50,000	

Plant	\$710,000	\$250,000
-------	-----------	-----------

Tools	250,000
-------	---------

New building way	1,500,000
------------------	-----------

Total Philadelphia	\$2,460,000
--------------------------	-------------

NORFOLK:

- (a) Equipped to build capital ships and several smaller vessels.

Now building seven (7) destroyers, which are laid down, 2 at a time, in drydock #2, 481 ft. long.

Has buildingways as follows:

Ways #1 700 ft. long by 120 ft. wide, capital ships, (needs reconditioning)
Ways #2 420 ft. long by 50 ft. wide.

- (b) Present shipbuilding:

Destroyer BAGLEY (DD386) afloat, practically completed.
Destroyer BLUE (DD387) afloat, 87% complete.
Destroyer HELM (DD388) afloat, 81% complete.
Destroyer ROWAN (DD405) building in drydock #2, 11% complete.
Destroyer STACK (DD406) building in drydock #2, 11% complete.
Destroyer MORRIS (DD417) keel not laid, probably January, 1938.
DESTROYER WAINWRIGHT (DD419) keel not laid, probably January, 1938.

- (c) Moderate improvements in tools, buildings and berthing facilities are needed as follows:

	Plant	Tools
Extension of railroad tracks, etc.	\$50,000	
Strengthen pier #3 and two traveling cranes for it	200,000	
Machine shop tools		\$200,000
Covered Welding platforms	100,000	
Plant	\$350,000	\$200,000
Tools	200,000	
New building ways	1,500,000	
Total Norfolk	\$2,050,000	

CHARLESTON, S.C.: (a) Equipped only fairly well to build destroyers, gunboats and smaller vessels.

New Orleans, La.:

Now building 2 destroyers and a tug.
Has building ways as follows:

Ways #1, 350 ft. long by 60', destroyer or gunboat.

Ways #2, 350 ft. long by 60', destroyer or gunboat.

These ways are side by side and the destroyers are built on them.

(b) Present shipbuilding:

Destroyer STERRET (DD407) Buildingways #1 17% complete.

Destroyer ROE (DD418) Keel not laid, probably January, 1938.

Tug. Buildingways #2.

(c) Shops, tools and other facilities are only fair, and will require many improvements and additions, as follows:

	Plant	Tools
Storehouses	\$ 200,000	
Welding equipment		\$ 100,000
Extend machine shop	200,000	200,000
Enlarge structural shop	100,000	250,000
Welding platforms	100,000	
Steel storage	50,000	50,000 (cranes)
Other shop improvements	150,000	100,000
Rolling stock	100,000	
Plant	\$ 900,000	\$ 700,000
Tools	700,000	
	\$1,600,000	
New buildingway	1,500,000	

(d) Administration:

\$3,100,000

Total Charleston.

Office Building

Quarters

Barracks (Marine)

150,000

225,000

220,000

New Orleans, La.:

Not equipped for shipbuilding. Has no building ways and practically no shops suitable for shipbuilding. To construct a 10,000 ton vessel necessitates providing practically a complete Navy Yard of a capacity to do this work. The river conditions, - narrow width, strong current and congestion make side launching a much safer proposition than end launching.

Rough estimates have been prepared of the cost of the additions and improvements needed to handle this work as follows:

(a) Shops and Buildings:

Structural, Forge, Boiler	1,250,000
Machine and Electrical	800,000
Foundry	500,000
Pattern and Woodworking	600,000
Pipe and Sheetmetal	350,000
Galvanizing	75,000
Oxy-acetylene (omit)	- - -
Riggers and Laborers	100,000
Welding	200,000
Paint	100,000
Public Works Shop	250,000
Transportation Shop	200,000
Power Plant, including equipment	1,300,000
Fire House and equipment	200,000
Steel storage and Cranes	400,000
General Storehouse	700,000
Miscellaneous storages	350,000
Pattern storage	100,000
Garage and Repair	100,000
Lumber storage and Racks	150,000
Inflammable stores	200,000
Oil storage	75,000

(b) Administration:

Office Building	150,000
Quarters	225,000
Barracks (Marine)	200,000

(c) Yard Facilities:

Railroad Tracks	200,000
Streets and Walks	200,000
Distribution System, electrical	1,000,000
Distribution System, air	300,000
Distribution System, water	200,000
Sewers and Fire Mains	300,000
Locomotive Cranes (10)	300,000
Locomotives	150,000
Trucks, Autos and Rolling Stock	150,000
Floating Crane, 50 tons	200,000
Building way for broadside launching, complete with cranes and services	700,000

(d) Waterfront:

Quay wall - 1000' at \$400	400,000
Fitting Out Cranes, 4 at \$125,000	500,000
Modification of existing sea walls and wharves	100,000

(e) Machine Tools and Appliances:

Class 4 - Miscellaneous Equipment	300,000
Class 5 - C&R-Eng. Plant Appliances	230,000
Class 6 - Machinery and Machine Tools	2,330,000
Class 7 - Portable Power Tools	70,000
Class 8 - Loose and Hand Tools	70,000

Total New Orleans - - \$16,275,000

Mare Island: (a) Equipped to build cruisers and destroyers or submarines. Now building 3 submarines and 1 destroyer.
Has building ways as follows:

Ways #1 About 600 ft. long by 105 ft. wide, cruiser
Ways #2 About 500 ft. long by 70 ft. wide, destroyer

(b) Present shipbuilding:

Submarine POMPANO (SS181) afloat and nearing completion
Destroyer HENLEY (DD391) afloat and nearing completion
Submarine STURGEON (SS 187) about 50% complete
Submarine SWORDFISH (SS193) keel not laid, probably January, 1938

(c) Moderate improvements in tools, buildings and berthing facilities and a new building way will be needed as follows:

	<u>Plant</u>	<u>Tools</u>
Improvements to distributing systems	\$ 300,000	
Wide gauge drydock crane	200,000	
Machine shop tools		\$200,000
Welding equipment and platforms	100,000	100,000
Extension of berthing	250,000	
	<u>Plant</u>	<u>Tools</u>
	850,000	300,000
	<u>Tools</u>	
	300,000	
	\$1,150,000	
1 building way complete with cranes	1,500,000	
Total Mare Island - -	\$2,650,000	

NAVY YARD

SHIPBUILDING FACILITIES

Sc

7/23/37

PORTSMOUTH NAVY YARD

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE USE	POSSIBILITIES
BUILDING WAYS #1	334'	60'	SS185 (Laid 7/23/36)	SS191 SS196	-
BUILDING WAYS #2	334'	60'	SS186 (Laid 10/1/36)	SS192 SS197	-
DRY DOCK #2	728'	92'	-	-	TENDER

PRESENT BUILDING LOAD NOT LAUNCHED

Ship	Completion Date
SS185	3/ 1/38
SS186	6/ 1/38
SS191	6/ 1/39
SS192	8/ 1/39
SS196	-
SS197	-

00619

BOSTON NAVY YARD

Sc

7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE USE	POSSIBILITIES
BUILDING WAYS #1	445'	60'	None	-	Tender
	Can lengthen	Possibly	(Ways must be reconditioned)		
	115'	75'			
DRY DOCK #1	357'	56'	None	-	Could build 1-Des-troyer or Tug or Sweeper.
DRY DOCK #2	729'	86'	DD402 & DD403 Laid 4/15/37	DD415&DD416	Build 2-DDs now assigned or Tender

PRESENT BUILDING LOAD NOT LAUNCHED

Ship	Completion Date
DD402	6/14/38
DD403	8/14/38
DD415	8/12/39
DD416	10/12/39

0 0 6 2 0

NEW YORK NAVY YARD

7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PRO-SPECTIVE USE	POSSIBILITIES
BUILDING WAYS #1	700'	120' +	CL48 - HONOLULU (Will launch 8/26/37)	BB55	-
BUILDING WAYS #2	700'	120' +	CL50 - HELENA (Laid 12/9/36)	-	Tender
DRY DOCK #1	326'	56'	-	-	Tug or Sweeper
DRY DOCK #2	470'	74'	-	-	Tug and Sweeper
DRY DOCK #3	624'	72'	-	-	Tug and Sweeper
DRY DOCK #4	694'	112'	-	-	Tender

PRESENT BUILDING LOAD NOT LAUNCHED

<u>Ship</u>	<u>Completion Date</u>
CL48-HONOLULU	5/ 1/38
CL50-HELENA	5/16/39
BB55	1941

00621

PHILADELPHIA NAVY YARD

Sc
7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE: USE	POSSIBILITIES
BUILDING WAYS #1	464' :Can increase : to 600'	70' +	None	DD404&DD420	Build 2 DDe now assigned or Tender
BUILDING WAYS #2	720'	120' +	CA45 -WICHITA (Could launch)	-	Tender
BUILDING WAYS #3	852'	120' +	None	BB56	-
DRY DOCK #1	460'	58'	None	-	Tug and Sweeper
DRY DOCK #2	726'	97'	None	-	Tender
DRY DOCK #3	1005'	118'	None	-	Tender

PRESENT BUILDING LOAD NOT LAUNCHED

DRY DOCK #1

473'

64'

Ship

Completion Date

CA45-WICHITA..... 8/ 1/38
DD404 12/14/38 +
DD420 9/12/39
BB56 1941

0 0 6 2 2

7/23/37

NORFOLK NAVY YARD

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE: USE	POSSIBILITIES
BUILDING WAYS #1	700'	120' +	None (Ways must be re- conditioned)	-	Tender
BUILDING WAYS #2	420'	50'	None	-	Destroyer or Tug or Sweeper
DRY DOCK #1	326'	56'	-	-	Tug or Sweeper
DRY DOCK #2	481'	57'	DD405 & DD406 Laid 6/25/37	-	-
DRY DOCK #3	732'	98'	-	-	Tender
DRY DOCK #4	1005'	118'	-	-	Tender
DRY DOCK #6	471'	64'	-	-	Sweeper and Tug
DRY DOCK #7	471'	64'	-	-	Sweeper and Tug

PRESENT BUILDING LOAD NOT LAUNCHED

<u>Ship</u>	<u>Completion Date</u>
DD405	6/14/38 +
DD406	8/14/38 +
DD417	8/12/39
DD419	10/12/39

00623

CHARLESTON NAVY YARD

Sc

7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE USE	POSSIBILITIES
BUILDING WAYS #1	350'	60'	DD407 Laid 12/2/36	-	Sweeper or Tug
BUILDING WAYS #2	350'	60'	-	DD418	-
DRY DOCK #1	594'	96'	-	-	Tender

PRESENT BUILDING LOAD NOT LAUNCHED

Ship	Completion Date
DD407	6/14/38
DD418	8/ 2/39

00624

Sc

PUGET SOUND NAVY YARD

7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE USE	POSSIBILITIES
BUILDING DOCK	930'	130'	DD408 (Laid 3/22/37)	-	Tender

BECAUSE OF FLEET MAINTENANCE

THE DRY DOCKS ARE NOT CON-
SIDERED AVAILABLE FOR
BUILDING.

PRESENT BUILDING LOAD NOT LAUNCHED

<u>Ship</u>	<u>Completion Date</u>
DD408	6/14/38

00625

MARE ISLAND NAVY YARD

Sc

7/23/37

BUILDING FACILITY	LENGTH	WIDTH	PRESENT USE	PROSPECTIVE USE	POSSIBILITIES
BUILDING WAYS #1	600' About	105' About	SS187 (Laid 10/27/36)	-	Tender
BUILDING WAYS #2	500' About	70' About	-	SS193	-

BECAUSE OF FLEET MAINTENANCE
THE DRY DOCKS ARE NOT CON-
SIDERED AVAILABLE FOR
BUILDING

PRESENT BUILDING LOAD NOT LAUNCHED

<u>Ship</u>	<u>Completion Date</u>
SS187	9/ 1/38
SS193	8/ 1/39

0 0 6 2 6

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

3 August 1937

Memorandum for The President.

1. The destroyers WORDEN and REID were in collision last night during night search and attack exercises while enroute San Diego to San Francisco. Both ships were damaged and are proceeding to the Navy Yard, Mare Island under escort. No injuries to personnel.

2. A Pan-American Grace plane is down at sea, position unknown but believed to be north of Cristobal. TEAL, NOKOMIS and two squadrons of planes are proceeding to conduct daylight search.

William D. Leahy.

*file
Confidential
PSF
Navy*

1

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

17 August 1937

MEMORANDUM FOR THE PRESIDENT

The CHAUMONT has been directed to expedite arrival San Francisco, discharge passengers and cargo and prepare to depart for Shanghai via San Diego. CHAUMONT reports that she will arrive San Francisco at 8:00 P.M. the 19th of August and will be ready to depart San Francisco early Monday, 23 August.

The CHAUMONT has been authorized to delay departure from San Francisco until 25 August in order to utilize cargo space in excess of that required by Marines for general stores, provisions, and clothing.

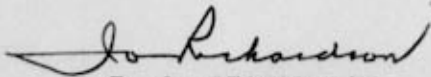
The following tentative itinerary is proposed:

<u>ARRIVE</u>	<u>PORT</u>	<u>DEPART</u>
19 August	San Francisco and Mare Island (Discharge passengers and cargo and take on stores.)	25 August
27 August	San Diego (Embark 6th Marines and obtain fuel.)	29 August
5 September	Pearl Harbor (Obtain fuel.)	5 September
20 September	Shanghai	---

The Commander-in-Chief, U. S. Fleet was directed to nominate a light cruiser to accompany the CHAUMONT and for temporary duty on the Asiatic Station. The Commander-in-Chief nominated the MARBLEHEAD.

It would be possible for the CHAUMONT and MARBLEHEAD to arrive at Shanghai two or three days in advance of 20 September if they proceeded direct from San Diego instead of stopping at Pearl Harbor for fuel but they would arrive at their destination with fuel for approximately 1500 less miles steaming at 13 knots. The Commander-in-Chief has been informed that in view of delay involved

if CHAUMONT and MARBLEHEAD obtain fuel at Pearl Harbor
the Chief of Naval Operations will order them to proceed
direct to Shanghai if he considers it necessary.


J. O. RICHARDSON,
Rear Admiral, U. S. Navy,
Acting Chief of Naval Operations.

PSF Navy

THE WHITE HOUSE
WASHINGTON

August 22, 1937.

MEMORANDUM FOR

ADMIRAL LEAHY

This report should be studied by you and the office of Naval Intelligence. It is interesting for the fact that most of these crabbing operations seem to be in one rather definite locality. It seems a little far-fetched that these vessels accompanied, one of them by 11 trawlers and the other by 8 or 9 launches, are conducting these operations solely for instructing students and studying migration and availability of salmon and crabs.

It is possible that this is a mask for purely commercial operations. But it is also possible that behind the whole thing lies a definite effort to study at close range a base of operations in the event of war.

It seems to me that we have almost enough to go on to have a counter-study made to see what this particular area could be used for by the Japanese in the event of war, and what should be done by us in our plans to counteract it.

F. D. R.

Report from Charles E. Jackson, Acting Com. of Fisheries, on "Operation of Japanese vessels in Bering Sea."

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

WDL/LA

23 August 1937.

My dear Mr. President:

There is forwarded herewith inclosed a copy of a personal letter received today from Admiral Yarnell in regard to his recent visit to Vladivostok which you may find interesting and informative.

Referring to your memorandum of yesterday in regard to the fishing boats that operate off the Alaskan Coast, the Navy Department's lack of accurate detailed information about the Aleutian Islands has been a matter of concern to me since my assumption of the duties of this office.

Admiral Hepburn is coming to Washington in September to discuss matters of that nature and it is my intention to have him take such steps as are necessary to obtain detailed information regarding the Alaskan area and to have available here details now lacking that will be essential in an emergency.

I have little doubt that foreign vessels are in possession of more detailed knowledge of islands belonging to the United States than is available here at the present time.

The specific fishing activities referred to in the Department of Commerce memorandum are carried on north of the Alaskan Peninsula and in an area that would not be of much use in war except for such airbase activities as might be permitted by the arctic weather conditions.

I hope to arrange, in consultation with Admiral Hepburn, to have the fleet find out much more about the entire Alaskan sea area within the next year.

Most respectfully,

William D. Leahy
W. D. Leahy,
Admiral, U. S. Navy,
Chief of Naval Operations.

The President,
The White House.

In Reply Refer

To No.

UNITED STATES ASIATIC FLEET

U. S. S. AUGUSTA (Flagship)

jse

Vladivostok, U.S.S.R.

1 August 1937

My dear Leahy:

The AUGUSTA and four destroyers arrived at Vladivostok on Wednesday morning, July 28th, and will leave today for Tsingtao and Chefoo. A rough passage was experienced on our way up, as we were on the edge of a typhoon.

Upon arrival I called on the officials in Vladivostok. These consisted of (1) The Commander of the Far Eastern Fleet, who wears the stripes of a vice-admiral, named Kiriliv; (2) A Commander of Division (rear-admiral), who is the Garrison Commander and has command of all army air forces and coastal fortifications of this vicinity. His name was Eliseev; (3) The Mayor, a civilian named Ugarov, an inoffensive looking young man about 32 years old; (4) The Commissar for Foreign Affairs, named Tihonov, who wore an admiral's stripes but was not senior to the Commander of the Far Eastern Fleet, and (5) an Army Commissar of the 2d Rank named Okunev, who did not wear a uniform. As far as I can make out the commissars are the members of the government who watch over the naval and military officers. These calls were returned the same day. The remainder of the time has been given up to dinners and entertainments for the officers and men. I gave a luncheon for the leading officials and also a reception yesterday. Lieut. Colonel Faymonville, U.S. Military Attache at Moscow, was in Vladivostok to assist in the visit. He has been of the greatest assistance due to his knowledge of the Russians and his ability to speak the language. I also brought Lieutenant Taecker up on the AUGUSTA. He is a Russian language student and speaks it very well. Very few of the Russians speak any language except their own.

The visit of this force evidently has meant a great deal to these people and considerable preparations were made for our reception and entertainment. As far as I can make out they are quite friendly to the United States and did everything in their power to show this friendship.

The officials are a rather mediocre looking lot and if they have much ability it was not apparent. The one exception was the Commissar for Foreign Affairs, Tihonov, who

In Reply Refer

To No.

UNITED STATES ASIATIC FLEET

U. S. S. AUGUSTA (Flagship)

Jse

looked as though he had some ability and was a typical communist in appearance. He was about 35 years of age.

I was told that there are about 200,000 people in the city -- an increase of 100,000 in the past five years. On the whole they are a drab, untidy looking lot of people. A well dressed person was the exception. Just what they all do for a living I could not make out, as Vladivostok is not a commercial port to any extent.

The city itself is rather imposing from the anchorage but once ashore it is a sad disappointment. There are two main streets paved with cobblestones and the remainder are dirt roads. The buildings are unkempt with evidently no attempt at upkeep. I was told that there has been much building going on and some of it was evident in the shape of apartment and living quarters. Sanitation in the city is at a low ebb. Colonel Faymonville tells me that this town is not typical of others, since little has been done to build it up. We were shown a very elaborate "fifteen-year plan" for the development of the city. This was on a very elaborate scale and will probably never get much beyond the paper stage.

There is little commerce from this port. The Russians run a steamer to Shanghai occasionally. Also, a Japanese steamer comes over here about twice a month. The shops in the city are rather pathetic from our standpoint. The goods are few and of very poor quality. They are also very high in price. The official exchange for the rouble is 5 roubles for one U.S. gold dollar. I was told, however, that bootleg roubles could be bought from 30 to 50 for the dollar. An ordinary looking pair of shoes was priced at 200 roubles. A moth-eaten silver fox fur was priced at 3000 roubles. Even at the bootleg price of roubles goods are high in price.

The officials are very secretive about any details of their defense or armed forces. There is a navy yard here and from our anchorage we are able to see about fifteen submarines tied up, some of them rather rusty looking. During our stay one submarine arrived and one left. I would judge they were about 1500 to 2000 tons. They have here also a destroyer about 25 years old called the STALIN, and three smaller torpedo boats. I was given to understand that during the summer their submarines are operating from ports to

In Reply Refer
To No.

UNITED STATES ASIATIC FLEET
U. S. S. AUGUSTA (Flagship)

jse

northward. Just how many they have altogether I could get no information. They refused to let us visit the Navy Yard, saying it would be necessary for them to get authority from Moscow and that there was not time enough to obtain this permission. There are large numbers of naval enlisted men on the streets in Vladivostok. They are very clean in appearance and are a well-built lot of men. There were no troops in Vladivostok itself except some of an engineer regiment. We are unable to obtain much information about their air force. The only planes I saw was a flight of twelve fighters over the city on one day. I understand their main airports are not in this vicinity.

It is, of course, not possible to generalize about Russia from what is seen of this one city. However, I can not but believe that while general conditions here are worse than they are in other sections of Russia the general appearance of the people and the attitude of the officials is perhaps typical, and if it is, God save us from communism. In order to make a success of this form of government the following requisites seem to be necessary: first, kill of all the intelligentsia of the country; second, destroy all churches and deny all religion; third, discourage family life; fourth, have one half the people watch the other half.

While this visit has been interesting and instructive I do not care to repeat it and would not advise its being made at other than infrequent intervals. A full official report on our visit will of course follow in due time.

Very sincerely,

H. E. YARNELL.

Admiral W. D. Leahy, U.S.N.
Chief of Naval Operations
Navy Department
Washington, D.C.

In reply refer to Initials
and No.

file
"personal"

PSF Navy
Navy

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

23 August 1937.

Dear Mr. President:

I find, upon investigation, that my statement Friday in regard to the width of Soochow Creek in Shanghai was in error. It was based on observations made thirty-seven years ago during the Boxer uprising at which time I had the doubtful pleasure of looking it over from time to time with a small squad of sailors.

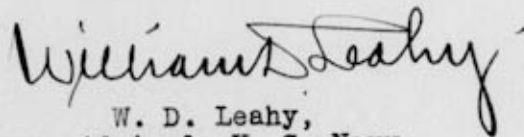
Since then either the creek has grown, or my appreciation of distance has improved, or advancing age has dulled the accuracy of memory.

Study of a recent large scale chart of Shanghai tells me that Soochow Creek at its junction with the Wangpo River is about four hundred feet wide, and that it approaches two hundred feet in width along the boundary of the International Settlement that is now being patrolled by American Marines. It may be assumed to be pretty well filled from bank to bank with native boats at the present time.

- 2 -

While my faulty memory of the creek could have had no seriously bad effect on your general understanding of the situation in Shanghai, I should like in the interest of accuracy to correct the error.

Most respectfully,

A handwritten signature in dark ink, reading "William D. Leahy". The signature is written in a cursive style with a large, sweeping "L" and a trailing flourish.

W. D. Leahy,
Admiral, U. S. Navy,
Chief of Naval Operations.

The President,
The White House.

In reply address not the signer of
this letter but Bureau of Aeronautics,
Navy Department, Washington, D.C.

Refer to No.

Aer-Pr-3-CW
L4-3(1)
VV
ET

NAVY DEPARTMENT
BUREAU OF AERONAUTICS
WASHINGTON

SEP 9-1937

From: The Chief of the Bureau of Aeronautics.
To: The Director of Procurement, Procurement Div.,
Treasury Department, Washington, D.C.

Subject: Airplanes due under contract.

Reference: (a) Procurement Div., Treasury Dept., lettr.
of September 8, 1937.

Enclosure: (A) (herewith) Data on airplanes under
construction.

1. The enclosed information is furnished in compliance with the request contained in reference (a). The data are compiled as of 31 August, 1937.

A. C. Read

A. C. READ
Captain USN
Acting Chief of Bureau

Navy Department.

CONTRACTOR	QTY. CONTRACTED FOR	TYPE	PRICE PER PLANE	DELVD	QUANTITY UNDELVD	ESTIMATED DATE OF DELIVERY
The Northrop Corp.	54	Bomber	\$41,720.85	0	54	1-9/30/37; 5-12/30/37; 10 per mo. thereafter
The Grumman Aircraft Engineering Corp.	81	Fighter	26,728.35	1	80	2-9/30/37; 6-10/20/37; 8 per mo. thereafter
				under trials		
Bellanca Aircraft Corp.	1	Utility	26,944.88	0	1	9/30/37
		(15 at --	39,458.00	0		
The Grumman Aircraft Engineering Corp.	15	Utility	15 at -- 30,600.00	less 0	15	1-11/15/37; 4 per mo. starting Jan. 1938; 1-5/1/38; 4-7/1/38;
	15	(engine & propeller not yet contracted for			15	4 per mo. thereafter
The Lockheed Aircraft Corp.	4	Utility	50,041.55	0	4	1-8/25/37; 2-9/15/37; 1-10/1/37
United Aircraft Corp.	10	Utility	10 at 150,350.00	0	10	1-10/1/37; 3-11/1/37; 3-12/1/37; 3-1/1/38; 1-2/1/38; 3-3/1/38
Sikovsky Aircraft Div.	4		4 " 147,049.80	0	4	
Army Air Corps	40	Training	17,617.16	0	40	1 under test at Wright Field; 6 per mo. after acceptance of 1 under tests
Naval Aircraft Factory	80	Training	80 at 9,905.90	9	71	11-11/30/37 10-9/24/37; 15-10/24/37; 12-11/18/37; 18-12/20/37; 5-12/30/37
	15		15 " 10,014.00	0	15	3-1/28/38; 3-2/4/38; 3-2/11/38; 3-2/18/38; 3-2/25/38
Consolidated Aircraft Corp.	50	Patrol	50 " 104,302.64	2	48	1-9/3/37; 8-9/30/37; 12-10/30/37; 13-11/30/37; 14-12/30/37;
	66	bomber	66 " 106,717.88	0	66	1-9/27/37; 1-12/30/37; 10-1/30/38; 12-2/28/38; 15-3/30/38; 15-4/30/38; 12-5/30/38
Curtiss Wright Corp.	83	Scout bomber	30,990.50	7	76	20 per mo.
Curtiss Aeroplane Div.						
United Aircraft Corp.	54	Scout bomber	44,354.15	1	53	5-9/30/37; 8-10/31/37; 8-11/30/37; 10 per mo. thereafter.
Chance Vought Aircraft Div.				under trials		
Curtiss Wright Corp.	83	Scout observa-	26,580.54	0	83	3-1/1/38; 10-2/1/38; 17 per mo. thereafter
Curtiss Aeroplane Div.		tion				
		22 at	33,348.61			
Naval Aircraft Factory	22	Scout observa-		0	22	1-7/15/38; 1 per week thereafter for 21 weeks
	22	tion	22 " 30,579.16	0	22	1-12/9/38; 1 per week thereafter
Douglas Aircraft Corp.	114	Torpedo-Bomber	37,200.00	1	113	4-8/25/37; 2-9/25/37; 12 per mo. thereafter
				under trials		

Note 1 - None of the data submitted includes cost of spare parts.
 Note 2 - Total amount of unobligated balance of funds available for new planes yet to be contracted for \$15,110,000.00.

Note 3 - Data include cost of propeller and power plant; cost of radio and other govt. furnished equipment not included.
 Note 4 - Experimental planes are not included.

file Navy -
PSF

From--W.D. Leahy--Chief of Naval Operations
Sept. 13, 1937.

Report of Americans in China, evacuated and
remaining--received from Admiral Yarnell on
above date.

SEE--China folder-Drawer 2--1937

14 September 1937

file PSF
attached to
NavyAMERICAN SHIPS ON ASIATIC STATION

<u>Ships</u>	<u>Location</u>	<u>Capacity, Troops or Evacuees</u>
AUGUSTA	Shanghai - - - - -	500
ISABEL	Shanghai - - - - -	50
EDSALL	Shanghai - - - - -	75
PARROT	Departs Shanghai for Hongkong 18 September - - - - -	75
STEWART	Shanghai - - - - -	75
FINCH	Shanghai - - - - -	40
BULMER	Shanghai - - - - -	75
BLACK HAWK	Chefoo - - - - -	200
FORD, J.D.	Chefoo - - - - -	75
JONES, PAUL	Chefoo - - - - -	75
PEARY	Chefoo - - - - -	75
PECOS	Chefoo - - - - -	100
BITTERN	Chefoo - - - - -	40
HERON	Chefoo - - - - -	40
EDWARDS, J.D.	Tsingtao - - - - -	75
PILLSBURY	Tsingtao - - - - -	75
WHIPPLE	Tsingtao - - - - -	75
POPE	Tsingtao - - - - -	75
PIGEON	Tsingtao - - - - -	40
CANOPUS	Tsingtao - - - - -	500
S-36	Tsingtao - - - - -	10
S-39	Tsingtao - - - - -	10
TULSA	Amoy - - - - -	175
BARKER	Pagoda Anchorage - - - - -	75
ASHEVILLE	Swatow - - - - -	175
ALDEN	Peitaiho - - - - -	75
SACRAMENTO	Enroute Hongkong arrive 17 Sept.	175
MINDANAO	Canton - - - - -	25
LUZON	Nanking - - - - -	25
GUAM	Nanking - - - - -	25
MONOCACY	Ichang - - - - -	25
OAHU	Chungking - - - - -	25
PANAY	Hankow - - - - -	25
TUTUILA	Hankow - - - - -	25

<u>Ships</u>	<u>Location</u>	<u>Capacity, Troops or Evacuees</u>
MARBLEHEAD	Due Shanghai 19 Sept. - - -	150
CHAUMONT	Due Shanghai 19 Sept. - - -	1300
RAMAPO	Honolulu arrives Manila 9 Oct.	100
HENDERSON	Departs San Francisco 18 Sept.	
	Arrives Manila 16 Oct. - - - - -	1300
GOLD STAR	Kobe - - - - -	250
S-37	Cavite	
S-41	Cavite	
S-38	Overhaul Cavite	
S-40	Overhaul Cavite	
U.S.A.T. GRANT	Arrive Manila 27 Oct.	
	Arrive Chingwangtao 8 Nov. - - - -	861

14 September 1937

UNITED STATES - BRITISH - FRENCH - ITALIAN - DUTCH

SHIPS ON ASIATIC STATION

PSF
file
~~at~~
hang.

UNITED STATES

1 Heavy cruiser	
1 Light cruiser (enroute)	
13 Destroyers	
6 Submarines	
3 Gunboats	
1 Converted yacht	
4 Mine sweepers	
7 River gunboats	
1 Destroyer tender	
1 Submarine tender	
1 Oiler	
2 Transports (enroute)	
1 Auxiliary	42

BRITISH

1 Aircraft carrier	
2 Heavy cruisers	
2 Light cruisers	
1 Destroyer leader	
10 Destroyers	
1 Large mine layer	
16 Submarines	
18 River gunboats	
1 Submarine tender	
5 Sloops	
1 Surveying Vessel	58

FRENCH

1 Heavy cruiser	
2 Submarines	
4 Sloops	
5 River gunboats	12

ITALIAN

1 Cruiser (enroute from Italy)	
1 Gunboat	
1 Mine layer	3

NETHERLANDS

1 Destroyer	1
-------------	---

*file
private*

In reply refer to Initials
and No.

PSF

ham

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

24 September 1937

MEMORANDUM FOR THE PRESIDENT

My dear Mr. President:

The following received by the Navy Department from a source that is considered to be reliable is quoted for your information:

"Several weeks ago the Union Oil Company was asked to bid on some shipments of fuel oil and gasoline to Russia. The bid was obtained, however, by the Standard Oil Company because of the Union Oil Company's lack of ships.

"It is known that 80,000 barrels of gasoline on K.R.Kingsbury were shipped to Vladivostok from El Segundo on August 22d, and 90,000 barrels from El Segundo to Vladivostok on W.S. Rheem on August 24, 1937. It is not known whether or not this was aviation gasoline.

"On August 31st, an agent of the Amtorg Trading Company arrived in Los Angeles for the purpose of negotiating further contracts for gasoline to be delivered to the above place. Apparently, the price is no object, and they are willing to pay as much as \$4.20 per barrel, f.o.b. Vladivostok, for ordinary gasoline, with correspondingly higher prices for aviation gas. The quantity to be delivered was not discussed, but evidently they are willing to take all that they can obtain at the present time."

"We have just been advised that the Japanese Government, thru the Nissho Company, has just purchased 500,000 tons (over 3,500,000 barrels) of refining crude, to be delivered to vessels either Japanese owned or chartered between the period November 1, 1937, and March 1, 1938.

"This is quite the largest single purchase of crude that has ever come to our attention and as no one company is in position to supply the entire quantity the purchase has been divided as follows:

"To be supplied by

Associated Oil Company	50,000 tons
General Petroleum Corporation	100,000 "
Union Oil Company	50,000 "
Standard Oil Company	50,000 "
Shell Company of California	250,000 "

"It is understood that this purchase has been made with the understanding that it be given as little publicity as possible. Please, therefore, keep the source of this data entirely confidential."

The Department of State has been given the above information.

William Leahy -

file
Confidential

DEPARTMENT OF STATE
THE SECRETARY

Navy Dept. 1937
PSF
Navy

October 4, 1937.

MEMORANDUM FOR THE PRESIDENT

Referring to your memorandum of October 2, relative to the published statement of Admiral Yarnell as to policy in China, the simple facts are as follows:

The Navy Department received, on a certain afternoon, a telegram from Admiral Yarnell giving the text of the statement under reference. Admiral Leahy promptly called Mr. Hornbeck on the telephone and read to Hornbeck the text. The statement was in fact an instruction which Admiral Yarnell had issued to officers of the Asiatic Fleet. It was so phrased, however, as to serve for purposes of a public statement and had apparently been made public in China. Admiral Leahy stated that he did not understand Admiral Yarnell's having uttered a statement of policy, but that, inasmuch as it was known in China that he had done so, the press correspondents here would in all likelihood soon be asking about the matter; and he inquired what action the Navy Department should, in that event, take. After some conversation, Admiral Leahy and Mr. Hornbeck came to a meeting of the minds to the effect that, if correspondents here inquired with regard

to

DEPARTMENT OF STATE

THE SECRETARY

- 2 -

to the matter, there would be no use in making a denial and no useful purpose would be served by declining to give them the text; that, in fact, inasmuch as Admiral Yarnell's statement began, "The policy of the Commander-in-Chief of the Asiatic Fleet is . . .," it would be better to give out a text than to withhold a text and leave it to the newspapers to write that this was a statement of American governmental policy. Mr. Hornbeck

While that conversation was being held, copies of Admiral Yarnell's telegram reached the Department. Mr. Hornbeck called my attention to the text and informed me of the conversation between himself and Admiral Leahy. I discussed the matter with Mr. Wilson and Mr. Wilson discussed it with Mr. Hornbeck. It was felt that the matter was one into which, the action already having been taken by Admiral Yarnell, this Department should not intrude: that the matter lay on the one hand between the Navy Department and Admiral Yarnell and on the other hand between the Navy Department and the President as Commander-in-Chief of the Armed Forces. Thereafter, thirty-six hours went by without event. Then, on the morning of the third day, press correspondents did

address

DEPARTMENT OF STATE

THE SECRETARY

- 3 -

address inquiries to the Navy Department and the Navy Department did give out the text. I understand that this was done without comment. Shortly thereafter, the correspondents asked me to make comment, and I withheld comment: I simply said, "I have nothing new in mind as to the policy of our Government relative to the protection and evacuation of Americans in China."

I then had Judge Moore, Mr. Wilson and Mr. Hornbeck take the matter up with Admiral Leahy. It was agreed that the Navy Department would send Admiral Yarnell an instruction that he was not to make statements of policy without first having consulted the Navy Department; and Admiral Leahy voluntarily stated that when any such matter came up the Navy Department would consult this Department. The Navy Department then sent Admiral Yarnell an order reading:

"Reference your 1422-1830 regarding quote policy of CincAf during the present emergency unquote it is desired that hereafter any statement regarding quote policy unquote contemplated by the commander in chief Asiatic Fleet be referred to the Secretary of the Navy for approval."

C H

THE WHITE HOUSE
WASHINGTON

Hull

~~CONFIDENTIAL~~

Aboard Presidential Special,
October 2, 1937.

MEMORANDUM FOR

THE SECRETARY OF STATE

I am disturbed by the newspaper story of a few days ago which apparently was issued by the Navy press room, with the approval of the General Board of the Navy and the Chief of Operations. I cannot understand why this statement by Admiral Yarnell, relating to American policy in China, should have been handled by the Navy press room, nor do I know whether its release had your approval beforehand or not.

Will you let me know confidentially just what happened and whether the announcement was made with your approval or not?

F. D. R.

THE WHITE HOUSE
WASHINGTON

THE WHITE HOUSE
WASHINGTON

NAVY PRESS ROOM

IMMEDIATE RELEASE

SEPTEMBER 24, 1937

The Navy Department announced today that Admiral Harry E. Yarnell, U.S. Navy, Commander-in-Chief of the Asiatic Fleet, has informed all ships of the United States Asiatic Fleet that "The policy of the Commander-in-Chief during the present emergency is to employ United States naval forces under his command so as to offer all possible protection and assistance to our nationals in cases where needed. Naval vessels will be stationed in ports where American citizens are concentrated and will remain there until it is no longer possible or necessary to protect them or until they have been evacuated. This policy based on our duties and obligations will be continued as long as the present controversy between China and Japan exists and will continue in full force even after our nationals have been warned to leave China and after an opportunity to leave has been given. Most American citizens now in China are engaged in businesses or professions which are their only means of livelihood. These persons are unwilling to leave until their businesses have been destroyed or they are forced to leave due to actual physical danger. Until such time comes our Naval forces cannot be withdrawn without failure in our duty and without bringing great discredit on the United States Navy. In giving assistance and protection our naval forces may at times be exposed to dangers which will in most cases be slight but in any case these risks must be accepted."

(2)

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

11 October 1937

MEMORANDUM FOR THE PRESIDENT

At the suggestion of Secretary Swanson the following brief estimate prepared by Major Bales, U.S.M.C. is quoted as a matter of possible interest.

Major Bales has lived in China and speaks the language. His brief is, of course, an expression of personal opinion based on his knowledge of the Chinese people.

"In attempting to estimate the effects in China of foreign declarations setting forth an official attitude or policy toward China, it is believed essential to consider first some salient features of the internal situation in China.

"1. It is axiomatic with the vast majority of literate Chinese that it is the duty of western nations - America and England being foremost because they are better known to the Chinese - to save China in any disaster or calamity, whether such disaster or calamity results from natural phenomena or from the workings of international politics.

"2. It is a prevailing characteristic of the Chinese that when assistance is tendered in an extreme emergency, they forthwith expect the tenderer of such assistance to assume the major role in the struggle. It is assumed that the savior has taken over full responsibility.

"3. The great metropolitan centers most frequently inhabited by foreigners, such as Shanghai, Canton, Peiping, Tientsin, Hankow, do not give a particularly representative cross-section of Chinese reaction to stimuli from abroad. Chinese long associated with foreigners or with foreign influences do not furnish an accurate index to the reactions of the majority of China's four hundred millions.

"4. The generality of Chinese, excluding a very thin stratum of the modern, educated Chinese in the metropolitan centers, have a traditional tendency, running through four thousand years, to the conviction that politics - particularly China's foreign politics - is solely the concern of

*file
confidential PSF
Navy
Swanson 1-37*

the government. In their minds it is impertinent for anyone, not charged by the duties of his office to handle such matters, to affect any concern about them. If things work out reasonably well, the vast generality of Chinese count it good. If it fails, bringing extraordinary dislocation, misery and suffering on the people, they turn, first against the cause assigned by the officials for such calamity, and then against the officials and the government.

"5. The government of China is at the moment in dire extremity - in danger of collapse. It is faced with an urgent necessity, first to secure immediate external assistance; failing that, to find a "scapegoat"- something to justify the government and its officials with the populace.

"6. China is not a republic except in name and is not a democracy in any commonly-accepted sense of the term.

"7. Public sentiment among the Chinese is exceedingly volatile, and in times of stress such as the present, shifts with uncommon rapidity in seeking real or assumed causes of disaster. The populace breaks out into extraordinary frenzies of violence against which local authority is wholly helpless, and it is characteristic of such frenzies that they are generally sporadic and of short duration. The positive efforts of the Chinese are seldom concerted or long sustained.

"The reactions of the Chinese to current official declarations in the United States may be confidently expected to be marked. There has been developing throughout China a rising tide of disappointment and indignation in regard to the attitude of the United States toward China in the current critical period. Now it will change with phenomenal rapidity. Americans in China, who last week were regarded with suspicion and in some instances with ill-concealed contempt, will be overwhelmed with fulsome attention. Mass demonstrations of enthusiasm may occur and the news of America's changed attitude, hopefully exaggerated, may be expected already to have passed to the yamens of every official in China that can be reached by telephone, telegraph or radio.

"Regardless of the interpretation that may be placed on American pronouncement in very high Chinese official circles and among a very restricted circle of educated and travelled Chinese; it is believed that the interpretation that will go out to the populace, wherever it can be reached, will be that the United States is definitely committed to China's assistance. Whatever the nature such assistance may be as envisaged in the minds of a restricted

group of high Chinese officials, it may be confidently expected that the generality of Chinese - the man in the street - will look for positive, armed action. He will be disappointed and angered by anything less. It is further to be expected that the government and the officials will take no measures to modify such hopes and expectations among the populace.

"In the interior and more remote districts the expectations of the Chinese will be more concrete and immediate than in the cities where foreigners are more numerous. To these people, suffering under the haunting fear of aerial bombardment, it is doubtless even now being represented that America is on the march to save China. Rumors will soon be flying among China's poor and impressionable masses that American war planes are already engaging the enemy, and many in remote places will scan the skies hoping to see American planes. Harassed officials will hope to gain a respite in the popular expectation of visible foreign assistance.

"The Chinese troops in the field and the irregulars behind the lines will be inspired by reports carefully circulated by the government that assistance is coming. It may be expected that the current news report that the Army Transport GRANT, sailing from San Francisco for the Orient with replacements for the 15th Infantry, will be spread in China's vernacular press, represented as the first wave of American assistance to China. Within a week Chinese soldiers may be asking in all sincerity where American troops are engaged, how are they progressing and when they will reach a particular front. It may be expected that the Chinese in the enthusiasm of the moment will attempt vigorous thrusts in various sectors. It will be an enthusiasm which, unless fed quickly and materially, will soon fade.

"The government will have a marked recrudescence in prestige, confidence and hope. The prevailing sentiment will be that if assistance - positive, armed assistance - materializes, the government is sure of the future. No Chinese believes in his heart that moral, or indirect pressure, will avail, but the few with wide contacts and experience are happy to get such assistance, believing that it will inevitably be followed by armed force. Should the assistance they deem as being their right and as the obligation of westerners, fail to materialize - and quickly - they will have a justification that will satisfy themselves. They will have a convenient "Scape-goat". Under such circumstances it will be extremely inconvenient for foreigners of American nationality who happen to be domiciled in the interior

of China, who, being unduly praised and flattered this week may be the objects of hate and scorn in the near future."

There is also quoted herewith a personal letter from Admiral Yarnell dated 12 September and received this date:

"We have been in Shanghai four weeks now, and the fighting goes merrily on. Until the Chinese lines are moved from the proximity of the International Settlement the situation is not good.

"So far the Japanese have landed from 70,000 to 100,000 men with large amounts of artillery, tanks, aircraft, etc. They will in time push the Chinese back but the latter are not pushing nearly as fast as the Japs had hoped for. If the Chinese had artillery and aircraft to match the Japs, they would do the pushing into the Yangtze River.

"The situation here worries the Japs since it is taking a lot more men and time than they had counted on. They had hoped for a quick decisive war confined to the northern provinces, but that didn't work out as intended.

"The northern situation isn't settled either as there are large numbers of Chinese troops south of Peking and Tientsin, and they may, or may not, put up a good fight. Also, there is chance of considerable trouble in Manchukuo due to mutinies and banditry. Russia is waiting for a good excuse, and in the meantime is seizing Jap fishing boats around her territory in considerable numbers.

"My impressions of the Japanese Navy after seeing it operate around here for a month are as follows:

"The ships here are mostly destroyers with a fair number of cruisers.

"They have operated up and down the Whangpoo River, day and night, mooring to buoys, and securing alongside wharves for a month, and as far as I know, there has not been a serious accident, grounding, or collision. I would say they are good ship handlers and good seamen.

"The large destroyers with 6 - 5" guns are rather formidable looking craft. I am glad we have some destroyers that can match them.

"The officers and crews are a sturdy, stolid lot of animals with probably much endurance. While the Jap may not be as intelligent as we think we are, he drills day and night, -- instead of polishing brightwork. That will tell in the long run.

"There is no way of telling whether they can hit anything or not with their batteries in a naval action. They have been getting a lot of practice here shooting at the Chinese countryside, buildings, factories, etc., but nothing can be determined as to their accuracy of fire at sea. Judging from other characteristics, I would estimate that their ability to shoot is good to very good, -- probably the latter.

"As to their aircraft, I am not greatly impressed. The Chinese aircraft around Shanghai put up an incredibly poor performance, so there has been no real comparison. The Japs now have command of the air and do a great deal of flying and bombing. As to the accuracy of the latter, there is not much chance to observe. Their planes look obsolete as compared with ours. A few squadrons of our carrier planes would clear this river of Japs in 24 hours.

"The Japanese Admiral, Hasegawa, is quite agreeable and I think is doing all he can to avoid injury to our personnel and property. The Navy has a landing force of about 12,000 or 15,000 men who are now under the Army Commander.

"Admiral Little, British, is a fine type of man and is most cordial and co-operative. Admiral Le Bigot, French, is the same. The Senior Italian is a Commander named Bacigalupi. A larger ship, the MONTECUCCOLI, with a Captain de Zara arrives on the 15th. The Italians are hand in glove with the Japs. There is also a Netherlands destroyer here named the VAN GALEN.

"We will have the naval dependents clear of China by the middle of October. Evacuation of nationals will be a slow process as they will not leave until their business is ruined and the danger becomes pressing.

"I am inclined to think that the war will drag on for quite some time. The Japanese will eventually win out due to their vastly superior military machine, but it is costing them money and their headache will come later. They are trying to shorten the war as much as possible and this may account for their policy of bombing defenseless towns, villages, etc., which they hope will cause a terrified populace to demand peace. It may have the other effect of increasing the hatred a Chinese has for a Jap, and prolonging the war."

William D. Leahy

*file
confidential*

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

Op-10 Hu

*PSF
Navy -*

5 November 1937

MEMORANDUM FOR THE SECRETARY OF THE NAVY

Despatches from the Commander-in-Chief, Asiatic Fleet, received today bring the following information:

It is reliably reported that Japanese troops have occupied Kuemoy Island off the City of Amoy, and are establishing on that island an aviation base.

The Japanese military forces at Shanghai have expressed an intention of using Soochow Creek for the transportation of troops and supplies. As you know, Soochow Creek is guarded on the International Settlement side for a distance of approximately two miles by American Marines, and it is feared that the use of this waterway by the Japanese army may make difficulties for our forces. The matter is now under discussion between the Japanese Admiral and the representatives of European Nations in the International Settlement.

815 foreigners, including 399 British and American civilians, returned yesterday to Shanghai.

March China Ports
William D. Leahy -

29 October 1937

AMERICAN NATIONALS THAT HAVE BEEN EVACUATED
FROM CHINA AND THOSE REMAINING

	<u>Evacuated</u>	<u>Remaining</u>
Shanghai	2046	2293
Peiping-Tientsin Area	510	1055
Chefoo-Tsingtao Area	1193	676
Yangtze River Ports & Interior	352	1156
Foochow, Amoy, Swatow	93	216
Kwangtung, Kwangsi, Kweichow) Provinces, Hainan Island)	<u>367</u>	<u>406</u>
	4561	5802

Shanghai municipal police report that American
Nationals arrived during September and October as follows:

From Japan	133
From Hongkong	106
From South China Ports	31 (approximately)

Nov. 11, 1937.

PSF

file
Hany

Letter to Pres.
From Woodring

In re-Coastal Frontier Defense Joint Air Exercises--ones
planned for F.Y. 1938 and subject to availability of
funds, for the F. Y. 1939.

SEE--War Dept. folder-Drawer 1--1937

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

PSF
File
Confidential
Navy-

CONFIDENTIAL

12 November 1937

Memorandum For The President:-

At the request of Secretary McIntyre I am enclosing herewith four sheets, the first giving a short summary of the Fleet Employment Schedule from the present until the end of the Fiscal Year, and the other three giving a general summary of Fleet Problem Nineteen which will be conducted between 15 March and 26 April 1938.

It will be noted that the Fleet Problem is divided into twelve parts and that the area of operations for the Problem is north of Latitude 20 and east of longitude 180. It does not appear that either the Employment Schedule or the Fleet Problem will take the Fleet into northern latitudes, with the possible exception of one division of Fleet submarines sometime during the course of the Problem.

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 4-7-59

Signature- *Carl L. Spicer*

W. B. Woodson
W. B. Woodson,
Captain, U. S. Navy.

In reply refer to Initials
and No.

NAVY DEPARTMENT

OFFICE OF CHIEF OF NAVAL OPERATIONS

Op-38-LMJ

WASHINGTON

CONFIDENTIAL

12 November 1937.

Fleet Schedule for Remainder Fiscal Year - 1938

Nov. - Dec. 1937

Based in San Pedro-San Diego area,
tactics, gunnery, miscellaneous -
Visit San Francisco Bay for Armistice
Day - 10-14 November.

Jan. Feb. March 1938

Based in San Pedro-San Diego area,
gunnery, tactics, miscellaneous and
upkeep until start of Fleet Exercises
including Fleet Problem XIX on 15
March.

On East Coast Landing Force Exercise
No. 4 - Culebra area 15 Jan. - 16
March, using ships on East Coast,
battleships NEW YORK and ARKANSAS -
also WYOMING and ANTARES, Marine air-
craft from Quantico, aircraft and sub-
marines from Coco Solo.

April, May, June 1938

Finish Fleet Problem XIX on 30 April.
Miscellaneous, tactics, upkeep until
20 June, based on San Pedro-San Diego
area. Battleships and cruisers with
battleships at San Francisco 20 - 30
June.

Scouting Force cruisers en route and
in Puget Sound area 20 - 30 June.

On East Coast - Coastal Frontier Defense
Joint Air Exercise No. 3 using ships on
East Coast, Army cooperating - to be
held off Virginia Capes 15 - 21 May.

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 4-7-59

Signature- *Carl S. Spicer*

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

Op-38-LMW

5 October 1937.

~~CONFIDENTIAL~~

General Summary of Fleet Problem XIX

Area - North of 20° Lat. and East of 180° Long.

Dates - 15 March - 30 April 1938.
(Problem commences at 0001 - 15 March).

Divided into Parts

Parts I, II, III, IV - 15 - 26 March.

Part V - Entrance to Pearl Harbor, 27 or 28 March.

Part VI - Fleet in Pearl Harbor until Sunday, 3 April.

Part VII - 4 - 10 April Fleet at anchor Pearl Harbor,
Lahaina, Hilo or Kauai
(daily exercises anchor by 1600)

Part VIII - 11 - 17 April - Ships return to Pearl Harbor,
leaving island anchorages 11 April.
Critique on parts II and IV on 13 April.
Ships assigned Green Fleet depart 15 April.

Part IX - 18 April (Monday) Sortie.

Part X - 19 - 22 April en route West Coast. Type tactics.

Part XI - 22 - 25 April - Purple Fleet raids West Coast
defended by Green Fleet.

Part XII - 25 - 26 April (Tuesday). Forces return to type
bases.

Ships listed at commencement Problem -

FF PENNSYLVANIA.

BF Batships, Batfor less WEST VIRGINIA and COLORADO.

Crubatfor less CINCINNATI, OMAHA.

Airbatfor.

Desbatfor Flotilla 2, less Desron Eleven, plus Desdiv
21.

Minbatfor less OGLALA, Mindiv Two.

Scfofor Cruscofor less ASTORIA.

Desbatfor Flotilla 1.

Aireraft Patrons 7-9-11-12-16-17-19; WRIGHT, LANGLEY,
LAPWING, TEAL, SANDPIPER.

Basefor ARCOMBE, RELIEF, NECHES, BRAZOS, CUYAMA, KANAWHA,
VESTAL, MELVILLE, DOBBIN, WHITNEY.

Subfor BUSHNELL, HOLLAND, Subron 6 - less DOLPHIN, PIKE,
ORTOLAN.

Ships detached during Problem

CONCORD, Desdiv 28 - proceed Mare Island for overhaul about
Monday, 21 March.

TUSCALOOSA - Proceed 28 March to Navy Yard Puget Sound for
overhaul.

IDAHO - Proceed 28 March to Navy Yard Puget Sound for overhaul.

SAN FRANCISCO - Proceed 2 April to Navy Yard Puget Sound for
overhaul.

After Part II, the following return to West Coast bases - and
resume normal operations until Part XI in which they take

part - HOLLAND, Subron 6, WRIGHT, LANGLEY, SANDPIPER,
TEAL, LAPWING, Patrol Squadrons 7-9-11-12-16-19.

~~CONFIDENTIAL~~

*file
personal
PSF: Navy*

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

Op-10 Hu

15 November 1937

Dear Mr. President:

Replying to your note of 10 November the following information is forwarded in reply to the questions therein contained.

Seaplane tenders

Plans provide for 12 seaplane tenders to be converted from oil burning merchant vessels, minimum speed 12 knots. There are 19 such vessels suitable for conversion at this time. Each ship will tend 36 patrol planes. Adequate batteries will be installed consisting of 4-5"-51 calibre single purpose guns, 2-3"-23 calibre anti-aircraft guns and 8 anti-aircraft machine guns. The time required to convert is 62 days. These seaplane tenders will be capable of operating 8 patrol planes for approximately 15 days with the gasoline carried. It is planned to operate them in sheltered waters where gasoline fuel ships would be available, however they could operate in the open sea if necessary.

Aircraft carriers

Plans further provide for 12 aircraft carriers to be converted from oil burning merchant vessels with a minimum speed 20 knots. There are now only 10 suitable vessels in operation and these would probably be required as transports for an initial move. Each ship will be able to carry a minimum of 60 airplanes.

Adequate batteries will be installed consisting of 8-5" double purpose guns, or 4-5"-51 calibre single purpose guns and 4-3"-50 calibre anti-aircraft guns, and 40 anti-aircraft machine guns. Time required to convert is 160 days. These auxiliary aircraft carriers will be able to operate 8 planes 15 weeks with the gasoline carried. The radius of these ships is only 6,000 miles at economical speed.

High Speed Motor Boat

There are two types of high speed motor boats under development at the present time:

First, the Philippine Patrol Boat. This is an aluminum hull boat driven by gasoline engines, of approximately 70' in length, being designed to make 40 knots or better, in a normal load condition. The plans of this boat are about 95% completed and will be sent to the Norfolk Yard for estimate of cost of building in another week or so.

It is the present intention to build one or two such vessels in this country for the account of the Philippine Government, in order to prove out the design. If these boats are found satisfactory, it is understood to be the intention of the Philippine Government to have material furnished in this country and future vessels assembled in the Philippines.

Second; There is also under development a smaller motor torpedo boat of about 54' in length, with a stripped weight of approximately 20 tons, for use of our own Naval Forces. The plans of this are approximately 50% completed. These boats are patterned somewhat after the patrol boat for the Philippines, but being

smaller are more limited in their carrying capacity. They are being designed to carry 18-inch torpedoes or, alternately, a load of depth charges. They likewise will have speeds in the vicinity of 40 knots. They will carry provisions for self maintenance for approximately a week. They will have radio and will carry two 50 calibre machine guns. At present the design is being based on an aluminum hull and propulsion by means of Diesel engines.

Patrol Boats, Submarine Chasers

The present plans for new submarine chasers are being based on tentative characteristics furnished by the Commander-in-Chief, United States Fleet, and now under consideration by the General Board.

- (a) Specially designed for use of listening devices;
- (b) Provided with depth charges;
- (c) Armed with one anti-aircraft gun and machine guns;
- (d) Of a size and construction to permit necessary operations under all adverse sea conditions;
- (e) Sustained sea speed - at least 20 knots;
- (f) Large radius of action;
- (g) Provisions - 20 days.

The Bureau of Construction and Repair has made extended investigations of the material to be used for hull construction, having considered wood, steel and aluminum. For a vessel of the size desired by the Fleet it has been definitely decided that wood is not a practicable material to be used for the construction of the hulls of these sub-chasers, mainly because it is impossible to properly secure in a wooden hull engines of the size required. The design of a sub-chaser is now being developed with speeds from 20 to 24 knots based on a steel hull. In order to obtain the speed required on the desired size and weight, it will probably

be necessary to propel these boats with a high pressure steam plant rather than with Diesels. This development to date is still largely in the study stage and at the moment is awaiting information regarding weight and space requirements for the steam plant. The development is, however, an active project and it is expected that within a few months the design will be completed.

In order that types may be developed and tested in preparation for quantity production in time of emergency legislation has been drafted requesting authorization for the construction of two patrol boats (submarine chasers) and two coastal motor boats of about 20 tons displacement. A draft of this legislation was forwarded to the Bureau of the Budget on 2 November 1937.

Most respectfully,

William D. Leahy -

The President,

The White House.

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 2-21-59

Signature- *Carl L. Spicer*

*file Navy
November 1-37*

November 10, 1937.

Dear Bill:-

Yarnell talks a lot of sense in that confidential memorandum about the Oriental situation. It follows what I wrote in an article in "Asia" (the magazine) back in the early 20's - and it goes along with that word "quarantine" which I used in the Chicago speech last month.

Yarnell forgets to mention an example of successful strangulation -- when the United States, without declaring war, strangled Tripoli.

Along the line suggested by Yarnell, have we done anything toward developing plans for converting oil-burning merchant ships so that they could:

- (a) Remain at or near a given spot at sea for a long period.
- (b) Carry eight or ten planes to be flown every day as scouts over a wide area.
- (c) A dual purpose battery strong enough to ward off a small air attack and, at the same time, sink a less powerfully armed merchant ship. Would this type of converted merchantman fit into our picture -- and how long would it take to convert one or more?

world and the United States is neither in a position nor in a mind to incur a repetition of such conditions. An economical war could be best conducted in this case - and in this case it is particularly appropriate - by economic methods. With our allies we would control roughly ninety per cent of the world's reserves of iron, coal and oil.

While I am dictating this lengthy screed,
will you let me know how you are getting on with
plans for two high speed motor boats and plans
for wooden hull up-to-date S. C.'s? I think we
should build one or two of each type each year
instead of waiting until war breaks out.

Always sincerely,

My dear Mr. President:

I am forwarding herewith a copy of a
personal letter received this date from Admiral
Kardell which contains some personal observations
of the Oriental situation that may be of interest.

Both the Navy and the Army are already
examining some of the lines indicated by
Admiral Kardell.

Admiral William D. Leahy,
Chief of Naval Operations,
Navy Department,
Washington, D. C.

Most respectfully,

William D. Leahy

The President,
The White House,

world and the United States is neither in a position nor in a
to direct a repetition of such conditions. An occasional war could
be best conducted in this case - and in this case it is particularly
appropriate - by economic methods. With our allies we would control
roughly ninety per cent of the world's reserves of iron, coal and oil.

*file
Confidential*

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

8 November 1937

My dear Mr. President:

I am forwarding herewith a copy of a personal letter received this date from Admiral Yarnell which contains some personal observations of the Oriental situation that may be of interest.

Both the Navy and the Army are already thinking along some of the lines indicated by Admiral Yarnell.

Most respectfully,

William D. Leahy.

The President,
The White House.

COPY

UNITED STATES ASIATIC FLEET
U.S.S. AUGUSTA, Flagship

Shanghai, China
15 October 1937

My dear Leahy:

In view of the possibility that the present precarious world situation may develop to the point that the United States may, out of sheer necessity, become involved in a general war, it is vital that certain basic concepts should be decided upon beforehand if we are to avoid the costly mistakes of 1917-1918.

I submit the following basic premises:

First:

Our participation in such a war may result automatically from involvements incurred by our dominant position in a general plan on the part of democratic countries, to defeat the purposes and possibly disarm a nation who is clearly attempting to achieve the aims of its national policy by force and in total disregard of treaties. Current democratic opinion throughout the world is rapidly crystallizing around the realization that this nation is becoming an increasing and intolerable ~~menace~~ to the peace and security of the many nations vitally interested in the future of the Orient, in which the United States is inevitably cast, by reason of commerce on the Pacific, for a prominent role.

Second:

Allies in a war with such objectives, as indicated by current political and commercial considerations, are quite obvious. The present alignment of European powers and our own national relations, indicate Great Britain, France, the Netherlands and Russia, taken perhaps in order of natural affiliation as well as assured co-operation.. The two latter would, even though not officially declared as Allies, automatically result as such because Holland would quite certainly refuse oil and be glad to assist in various ways in the prevention of further penetration to the south, while Russia could hardly be expected to overlook the opportunity to settle her Manchurian problem. My visits to the Dutch East Indies and Vladivostok have given me quite definite convictions on these subjects. The natural corollary places Germany and Italy with Japan for the same political and commercial reasons.

Third:

Such a war, from our point of view, as well as the others, must be an economical war. The gross extravagance of the last war was responsible for the present economic dislocation throughout the world and the United States is neither in a position nor of a mind to incur a repetition of such conditions. An economical war could be best conducted in this case - and in this case it is particularly appropriate - by economic methods. With our allies we would control roughly ninety per cent of the world's reserves of iron, coal and oil

as well as a major portion of other raw war essentials, notably copper, wool, rubber, aluminum, tin and foodstuffs. By virtue of a heavy supremacy of combined shipping, we would also have free access to neutral sources and markets.

These factors give us an economic superiority which would make possible an economical prosecution of the war with reasonably early victory, without the financial burden of the last war. The traditional attitude that extravagance is justifiable on the grounds that it leads to early victory would not be warranted by the economic alignment in this case because the victory is assured without a great cost. Nor would the American public tolerate the possibility of increased taxation, and the expansion of an already heavy war debt, with the future saddled by the same financial aftermath as in past wars.

Fourth:

Such an economic, and therefore economical war, must be one of strangulation, in short, an almost purely naval war in the Pacific as far as we are concerned. The military situation in Europe makes this premise possible, with Russia, supported by England, well able to occupy Germany to the extent that France, supported by her Little Entente, could successfully meet Italy and still defend her German frontier. Held, also, that British and French naval strength can contain Germany in the North Sea and Italy in the Mediterranean, which gives us control of the Atlantic and able to exercise a rapidly developed superiority in the Pacific. Such superiority in the Pacific would be greatly augmented, not only by the base facilities of our allies, but in all probability by a quickly accelerated support of British light forces. With the geographic situation as it is, the Dutch East Indian force and the Russian Vladivostok submarine and air forces would assume strategic significance far beyond their tactical or paper strength.

Such a naval superiority in the Pacific would enable us to conduct the naval war in the Pacific in the manner largely of our own choice, which would mean complete severance of Japanese lines of commerce to the rest of the world, excepting China from the Yangtze north. This would be quite feasible operating from a main line of bases, Dutch Harbor, Hawaii, Guam, the Philippines, Java and Singapore, with scattered minor bases.

I do not wish to decry either the possibility, or the immediate effectiveness, of the "fleet battle," but in this case it would not be necessary nor justifiable. With the exception of the necessary redemption of the immediate loss of Guam, or Manila, it may not be necessary for the Battle Fleet, as such, to proceed west of Pearl Harbor.

In the consideration of bases, Hongkong may be untenable but can be held if sufficiently provided with air forces. If held, the open port for supply support to the Chinese armies is assured. China unquestionably now has the trained man-power. With equipment, supplies, staff assistance, officer supervision and particularly air force, it is entirely reasonable to assume that Japan would be

defeated in her purpose of expansion on land without anyone actually sending troops. Singapore is invaluable as a base on account of the two great dry docks.

This arrives at an essential and difficult consideration in our prosecution of the war. It probably would be difficult to convince the public and the Army that a very great expansion of the straight military, such as in the last war, would not be essential. A concentration of effort on air force, field artillery, engineers, and anti-aircraft would be essential, but these are primarily matters of increased equipment rather than heavily expanded personnel. The "expeditionary force", as such, would exist only in the case of the above special units, as far as China or advanced bases would be concerned. Marine troops, where necessary, would, from the nature of things, be superior for base duty except in the Philippines. Anti-aircraft and artillery equipment is the vital consideration for such forces. The American merchant marine is not equal to providing a transport service for an expeditionary force to such distances or of such size as to have any real weight in the face of the man-power already probably engaged in the theatre of military operations in China.

In other words, it will be a naval war, with only enough soldiers to garrison such bases as may be occupied. For this purpose the present Army is adequate if they would only equip themselves for advance base duty.

Great organizations at home should be avoided -- Coast Defense troops, overloaded naval district organizations. There is great and persistent pressure on the part of many patriots to get into the home guards. I have heard of one of our Naval Districts during the World War that had 30,000 men on its rolls.

During the World War the Army spent roughly, twenty billion dollars, and the Navy three billion. A large part of the Navy's three billion was spent uselessly.

It must be remembered, that once a man is enlisted, either in the Army or Navy, he becomes a public charge for the rest of his life. The treasury cannot stand such a burden.

Let China supply the man-power with American officers and equipment.

The old dyed-in-the-wool strategists declare that a naval war cannot bring a country to terms; that there must be invasion of the enemy territory and defeat of his armies. This may be true of some countries, but does not hold in the Pacific. Some nations can be strangled to death. The invasion theory is a legacy from Clausewitz who was writing from the European standpoint of 100 years ago with self-contained countries and permanent armies.

The prosecution of the naval war of strangulation calls for definite types when expansion of the Fleet takes place. The obvious mission, "to destroy enemy commerce and retain command of the air

along the line of bases" indicates these types. Naval air force, submarines and light forces with cruising endurance and dual purpose batteries should be concentrated upon at the expense of increasing the battle-line. Anti-aircraft equipment is vital.

The conduct of the war along the above lines would not be spectacular and would, probably, be difficult to keep in public support unless definite evidence of its efficacy could be indicated. The facts that it was being conducted economically and without our own men being engaged in the horrors of land warfare with great losses of man-power on foreign soil, could have great effect to encourage support.

The preparation of basic plans along the lines indicated requires the co-operation of the State, War, and Navy Departments.

The task of the State Department is to see that the United States is not maneuvered into such a position that we will have to fight such a war alone.

The task of the War Department is to relinquish their ideas of millions of men, and to organize and equip the present Army for rapid movement as an expeditionary force.

The task of the Navy Department is to provide necessary means and training to carry out a war as outlined above, keeping clearly in mind the part that aviation and submarines will play in future naval operations.

I may state that the above discussion in no way indicates a predilection on my part for us to become involved, but immediate contact and acquaintance with the conditions and possibilities existing in this area have indicated strongly to me the desirability of thorough forehanded consideration of eventualities. The world is facing a racial and military phenomenon which is unique.

Very sincerely,

./s/ H.E.Yarnell

Admiral W.D. Leahy, U.S.N.
Chief of Naval Operations
Navy Department
Washington, D.C.

file
23 Nov 37

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

PSF
Rory
10 Nov 37

23 November 1937

MEMORANDUM FOR THE PRESIDENT

My dear Mr. President:

By direction of the Secretary of the Navy the following despatches received from Admiral Yarnell are quoted for your information:

"Shanghai - 21 November. The Nipponese have already taken over all the floating equipment (which includes the fire boats) of the Chinese Custom Service and have been informed from trustworthy source that they will take over the Chinese banks and Custom House in the International Settlement"

"Nanking - 21 November. All foreign diplomatic representatives have decided to evacuate on the morning of the 23rd. The Russian party will leave in French cruiser and will not leave any representative in Nanking. The Ambassador was notified by the foreign affairs minister at 1200 this date that he expected to leave at any moment and was also requested to move the Embassy as soon as possible. The Embassy informed all U.S. Nationals that they could leave on the Luzon if they cared to"

"Shanghai - 22 November. On December 1st the Japanese intend to take over the protection of Japanese mills and other of their properties located in our sector. As a move to impress the Chinese populace they plan to run a truck across Garden Bridge and through the city to supply the troops in these properties. These troops are entirely secure and such action will most probably result in incidents followed by severe reprisals due to the recent hostilities and the overcrowded condition of the city. The above plans were conveyed to General Beaumont by the Japanese Naval Landing Force Chief of Staff".

The Department of State has been provided with copies of these despatches.

William D. Leahy —

file
10/25/33

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

PSF Navy

30 November 1937

My dear Mr. President:

The following letter from Admiral Yarnell is by direction of the Secretary of the Navy quoted for your information.

Admiral Yarnell offers these suggestions "for what they are worth, on the ground that anyone who has any ideas about settling this terrible mess should be encouraged to advance them."

"Shanghai, China
7 November 1937

From: The Commander-in-Chief, U.S. Asiatic Fleet.
To: The Secretary of the Navy.

Subject: Proposals for Solution of present Sino-Japanese Situation.

1. In any proposal to end the present Sino-Japanese War, or to arrive at an agreement which can be accepted by both nations, the following basic essentials should be provided for:

- (a) The agreement, as far as possible should be in consonance with the Nine Power Treaty.
- (b) It should recognize, and satisfy as far as possible, the claims of both nations.
- (c) It should encourage and support a strong central Government in China.
- (d) It should settle extraterritoriality, the maintenance of foreign troops in China, the status of Shanghai and other problems.

2. NINE POWER TREATY

In this treaty, the Contracting Powers, other than China, agreed "to respect the sovereignty, the independence, and the territorial and administrative integrity of China." (Art. I (1).)

Japan violated this treaty by the separation and establishment of a Japanese controlled government in Manchuria in 1931. She has spent huge sums in an endeavor to develop and colonize the country. She will not relinquish her claim on Manchuria without a decisive defeat in war.

On the other hand, the control by China of this area since the establishment of the Republican form of government has been weak, and at times entirely non-existent. It is probable that if Manchuria were returned today, the Central Government would not be able to assert control or to maintain law and order. In fact a return of Manchuria to the Central Government of China would be likely to hinder her definite control over the remainder of Chinese territory, the achievement of which has been the major effort of the present government.

Unless Manchuria is returned, however, the Nine Power Treaty stands violated, and the signatories can hardly recommend a settlement under the treaty which does not provide for its return. Consequently, any settlement under the treaty does not appear feasible without a disregard of its first and most important article.

Leaving the treaty aside, and, considering the situation as it actually exists, it would appear that China must acquiesce in the present status of Manchuria, unless she is able to retake it by force of arms. This is of course out of the question, and it is also obvious that no other nation is going to do it for her.

It is therefore believed that China and the Great Powers must recognize the present status of Manchuria or "Manchukuo". This will be a great concession to Japan and in order to obtain it she may consider her honor satisfied and be willing to accede to the other terms of the settlement, one of which would be to remove her troops from North China and to agree not to interfere in that area. The Premier, Prince Konoye, has stated officially that Japan has no intentions of acquiring more territory. The neutral powers should insist on the integrity of China south of the Great Wall.

3. GRIEVANCES

Japan's main complaints against China are generally,-

- (a) Alleged trend toward Communism.
- (b) General unfriendliness toward Japan resulting in boycotts, anti-Japanese societies, etc.
- (c) Increase in strength of Army which constitutes a threat against Japan.

It is obvious that the present Chinese Government has been

and is generally opposed to Communism. The present fight for existence may drive her, however, into the Russian camp in order to obtain the necessary munitions and assistance to carry on the war.

The general hostility to Japan which has resulted in boycotts and demonstrations has obviously been brought about by the actions of Japan herself. Once she renounces any intention of seizing more territory, ceases interference with Chinese domestic affairs, and makes some demonstration of friendship and co-operation, Chinese hostility would soon disappear.

Chinese grievances are, -

- (a) The seizure of Manchuria.
- (b) The avowed intention of the Japanese Army to separate the five northern provinces.
- (c) Constant demand for political control in the form of advisers, etc.
- (d) Presence of large numbers of Japanese controlled troops.
- (e) Encouragement of smuggling in North China.
- (f) The insolence and truculence of Japanese troops in North China and in Shanghai.

Incidents have been inevitable and bitterness between the two nations has increased.

The validity of the Chinese grievances cannot be denied. They could be eliminated by the withdrawal of Japanese troops from China, and by placing the relations between the two countries in the hands of the civil instead of the military authorities. To an outsider, it seems stupid and incomprehensible that Japan, who could gain so much commerce and influence in China by a "good neighbor" policy, resorts to the opposite, and uses threats, sword rattling, and finally actual war, whether so called or not, in an effort to gain her ends.

4. STRONG CENTRAL GOVERNMENT

It is essential that in any settlement, a strong Central Chinese Government should be maintained and assisted in its control of the country. Such a government constitutes the greatest factor in the maintenance of peace in the Far East. Mr. Stimson has justly said of China: "the essentially peaceful character of her domestic and internal culture is now the main stabilizing factor of Asia." China, even if strong, would have no dreams of world domination. Her domestic problems will occupy the efforts of her rulers for many years.

During the past ten years the present Government has accomplished much in the face of vast difficulties. Roads have been built, schools and colleges established, streets widened and cities improved, and comprehensive plans developed and partly placed in operation for the improvement of the health and welfare of the people. There has been a new spirit abroad in the land.

Naturally, only a start has been made, and much remains to be done. The control of the Central Government is still weak in the remote provinces. There are still, as in every government, many incompetents, grafters, and even traitors, but they were gradually being replaced and the power of the Government extended.

The tragedy of the present situation is that this great reconstruction is suspended, perhaps for many years, and energies and funds must be devoted to war. In case of defeat and loss of territory, the present Government may fall with none to replace it, while the country reverts to internal strife and war lordism. To avoid such an outcome is the major problem to be solved.

The Generalissimo, as head of the present government, should be retained. There is none with sufficient background and prestige to replace him. The work of Madame Chiang Kai-shek in assisting the Generalissimo, and in establishing the "New Life Movement" has done much to further progress under the present Government.

5. EX TERRITORIALITY, ETC.

If a settlement can be reached which assures the retention of a stable government in China, it would strengthen the hands of such a government if the questions of extraterritoriality, retention of foreign troops in North China, the Shanghai problem and other infringements on Chinese sovereignty could be disposed of.

Extraterritoriality has been promised the Chinese Government by the United States as long ago as 1903. In Article 15 of the treaty concluded in that year between the United States and China, the American Government agreed that it would be prepared to relinquish the jurisdiction which it exercised over its nationals in China "when satisfied that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant it in so doing."

Germany and Austria lost this privilege during the Great War.

Russia has voluntarily renounced her claim.

There is no evidence that the nationals of these countries have suffered in any degree in consequence.

The presence of foreign troops in North China is an aftermath of the Boxer Rebellion. These troops should be withdrawn as soon as the Central Government has established definite control with Central troops in that area.

If Shanghai survives the present ordeal, and it will of course, the present status and form of government should be radically altered. The Shanghai Municipal Council can govern after a fashion in time of peace. The Consular Body has no real authority. Foreign troops have protected part of the Settlement, but also have been the cause of vast destruction in the remaining section of the city on two occasions. A Chinese city of Shanghai adjoins the International Settlement and French Concession. The "external roads areas" are sources of constant friction.

What the solution should be is beyond my ability to suggest. Perhaps an arrangement similar to the Special Areas of Hankow might be effective. It is a great problem requiring able and liberal minds for its solution. And in its solution the sovereignty of China must be given full consideration.

There are other questions that should be discussed and agreements reached, such as foreign warships in Chinese waters, the use of Chinese coastal waterways and rivers by foreign merchant shipping and the foreign residential areas in certain cities.

Whether such an understanding and agreement as outlined above can be reached depends almost entirely on whether it will be accepted by Japan. And it is hardly possible that it will be accepted as long as the Japanese Army dictates her foreign policy. Their dream is of Far Eastern domination by ruthless force regardless of cost or the subsequent suffering they will bring on their own people.

Until the liberal and enlightened element of the civilian Japanese leaders obtain control over their foreign policy the outlook for a just and permanent solution of this Far Eastern problem is not encouraging.

6. TO SUMMARIZE

- (a) A strong Central Chinese Government must be supported and maintained.
- (b) China and the Western Powers will recognize the present status of Manchukuo.
- (c) Foreign troops will be withdrawn from North China as soon as the Central Government established its authority over this area.
- (d) The right of extritoriality will be relinquished by such powers as still maintain it.
- (e) A commission will be appointed to study and report on the Shanghai problem. This commission will be composed of an equal number of Chinese and foreign members.
- (f) When assured that the Chinese Government can afford

adequate protection to their nationals, the respective governments will withdraw their gunboats from Chinese waters.

7. FUTURE PROBABILITIES IN CASE NO SETTLEMENT IS ACCOMPLISHED BY THE POWERS

- (a) Japan's military success in the present venture is practically assured. She has struck before the "New Life" had sufficiently matured to defend itself.
- (b) With no outside interference the military will prove its contention and will be more firmly in the saddle than ever.
- (c) The political and commercial domination of the greater part of China is only a matter of time. The ambitions of the Japanese military have been consistent and apparent for many years.
- (d) A war with Russia might somewhat retard the control of China. But Japan expects and possibly invites such a war because, with her country aroused and geared to war, she is in the best situation to conduct one. Also intelligence of her enemies has always been good and if she chooses war it will probably be won by her without too great an effort. Her objectives will be limited, namely, to acquire sufficient territory to remove any military threat from the mainland, an accomplishment long believed essential to future security by her military advisers.

Success in these enterprises will bring about a complete unbalance of forces in the Far East and the world, involving the destiny of civilization and the white race.

Should a satisfactory solution of the Chinese question be impossible within the near future there would seem to be but one course for the Pacific Powers to take; a joint agreement and definite action, commercial and, if necessary, military, to curb the uncontrolled ambitions of the Japanese imperialists."

Copies to: American Ambassador, Nanking
American Ambassador, Tokyo"

Most respectfully,

William D. Leahy

The President,
USS POTOMAC.

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

30 November 1937

My dear Mr. President:

The following three quoted despatches were received yesterday:

"From: Commander Squadron 40-T. Following important message received via Gibraltar from Cadiz radio "The authorities of the Spanish Nationalist Fleet made it known that for reasons of the campaign a blockade has been established off the Spanish coast that is in the hands of the Reds in the Isle of Minorco and that all commerce is prohibited with these ports, omitting the neutral zones established in Valencia and Barcelona and ships that endeavor to enter these aforesaid ports after the publication of this notice will be attacked"

"From: USS PANAY
To: Naval Attache, Peiping

The following is from Assistant Naval Attache at Nanking: A big air raid on the bases at Shanghai has been planned for the morning of the thirtieth. Chiang has postponed his departure indefinitely reason being to prevent defection of the front line commanders but I believe this is only temporary since the shortage of good troops has been admitted. The new Russian Military Attache replacing Lepin secretly arrived at Nanking the 27th bringing more planes"

"From: Commander in Chief, Asiatic

Departing with Augusta to Manila about 14 December Marblehead will be station ship Shanghai British Commander in Chief leaving for Hongkong around same time"

Following a suggestion conveyed to me by Rear Admiral Holmes I arranged yesterday an unprofitable conversation with Captain Bradley over a "spot of tea".

It was suggested that just between two sailors, unofficially, and off the record, the situation in China seems to be becoming increasingly difficult, and that it would be helpful in my task if it were possible to have any available information that might be mutually advantageous regarding any projected naval demonstration in that area.

He replied that he has no information whatever regarding the intentions of his Navy, that such matters are handled by a very close group of staff college officers in the Admiralty who never give any useful information to the Naval Attaches. He confessed to having read the newspapers and some news despatches from home and expressed a desire to consult with us at once regarding any information that should come into his possession.

One may be encouraged with a thought that occasionally a seed fallen on barren ground thrives surprisingly, and there seems to be a prospect that this one may bounce off the rock into a less sterile environment.

It has been suggested that when our Marines are withdrawn from Shanghai they be removed to Guam where it would be necessary for them to be housed under canvas and to live on such sea food as can be provided by the occasional transports.

Such a move, while well within our rights, would be irritating to certain Orientals and would be difficult to explain to local isolationists. General Holcomb is very anxious to get his Marines back to America in order to continue the training of the Fleet Marine Force.

I personally do not recommend the application of any irritant unless we are willing to follow it with as much force as may become necessary. It now appears practicable and possibly advisable to reduce our Marine Force in Shanghai when the transport returns to the Orient at the end of January. In an emergency, provided he should have sufficient advance notice, I believe it would be feasible for Admiral Yarnell to move all of his Marines to Manila on Naval vessels now stationed on the coast of China.

Most respectfully,

William D. Leahy

The President,
The White House.

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

3 December 1937

My dear Mr. President:

The following message is received today from the
Assistant Naval Attache in Nanking:

"There are at present 35 planes from Russia here and all
have Russian crews. On the second of December 20 pursuit
planes defending Nanking against a Japanese raid brought
down 3 Japanese planes with no loss to selves. The rest
of the 35 are light bombers, and 6 of these 15 light bombers
assert they successfully bombed Point Island yesterday"

Point Island is in the Whangpoo River about five miles
down stream from Shanghai.

Referring to my recent memorandum reporting a conversa-
tion with Captain Bradley in which he expressed complete ignorance
of any consideration that might have been given by his Navy to a
demonstration in the Orient, the following development occurred
yesterday:

Captain Bradley called on the Director of Naval Intelligence
and reported that he had related my conversation with him to Sir
Ronald, whereupon the Ambassador showed him a record of the conver-
sation between the Ambassador and our Acting Secretary of State,
and "also some despatches". He called to inform us that "the door
of the Naval Attache is always open".

I do not believe that any useful purpose would be served
by our inaugurating any further personal unofficial conversations
at the present time and until further developments occur in the
Orient, or until you return to Washington.

Most respectfully,

William D. Leahy

The President,
USS POTOMAC.

file

P37. Navy

Franklin D. Roosevelt Library
DECLASSIFIED
DDO DIR. 5200.9 (9/27/83)

~~Confidential~~

↑

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON

Date- *9-8-66*
Carl L. Spicer
Signature
8 December 1937

My dear Mr. President:

The following despatches from Admiral Yarnell are quoted for your information:

"March Japanese troops through Settlement done on insistence younger Army officers who also drew up demands after bomb incident and refused return Hongkew until police commissioner had agreed submit them to Municipal Council. This radical element probably attempt exact rigorous terms in any peace agreement affecting Shanghai or general situation understood action above group feared by high Army Navy commanders"

* * * * *

"Because of fairness and neutrality shown high Japanese officials have suggested suitability of the United States as mediator in present conflict consider it inadvisable for the United States to accept this position because of the lack of basis for any settlement.

"The Generalissimo and Madame Chiang left Nanking by plane today. The Japanese are concerned over future developments since there is no organized government at Nanking with which to deal. It is believed that no Chinese of any standing or ability will treat with the Japanese because of the nation wide feeling against them."

* * * * *

"The major operations in South China in the near future will probably aggravate the British-Japanese situation. The Japanese attitude towards Americans has continued to be very conciliatory and there is no indication of any change in it.

"After the capture of Nanking the Japanese will most likely await political developments before advancing inland. It is believed that they have no definite plans other than first, destroy Chinese industrial and military organizations in the Yangtze area and second, injure to the greatest possible extent British interests.

"It is considered that the anti-British attitude will lead to instigation of incidents within the Settlement."

Sincerely yours,

The President,
The White House.

Claude A. Swanson

*file
confidential*

PSF Navy

In reply refer to Initials
and No.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

15 December 1937

My dear Mr. President:

In reply to a question asked during your conference yesterday with Admiral Hepburn, an examination of the British naval building program shows that the British have laid down two battleships that can not be regarded as replacements considering the age of twenty-six years established by the London Naval Treaty of 1936.

This examination also shows that their program of light cruiser construction is 60,000 tons in excess of that required merely to replace overage tonnage, and that the British light cruiser strength will be increased by this amount over and above the tonnage permitted by the London Naval Treaty of 1930, including the increase obtained by invoking the so-called "escalator" clause.

Most respectfully,

William D. Leahy,

The President,
The White House.

File
Confidential
PSF
Nav

RECEIVED
CONFIDENTIAL
DOD DIR. 5240.9 (9/27/58)

~~STRICTLY CONFIDENTIAL~~

PARAPHRASE

(SS/PZ/E) 6-0082
Date 8-8-66
Signature *Carl L. Spence*

The following information received from the Assistant Naval Attache Shanghai under date of 17 December, 1937, is quoted:

The following information is considered very positive. At a private dinner held on 8 December Okazaki and Hikada were the speakers and made the following statements; their cause has two principles; one, to wipe out the Chinese military party and Chinese Industrialism in the Yangtze Valley; Two, to destroy British prestige and influence in China. The second of these principles will be attempted by means of planned incidents. Such incidents were to be avoided where the United States was concerned.

The spokesman expressed belief that Nanking road affair was engineered by younger officers and that Matsui had nothing to do with it. Matsui was against the parade.

This Despatch is from Ast Alusna Shanghai for Embassy Shanghai.

Late arrival of Kwantung Army officers for duty at Shanghai with the special section is believed to have for its aim the stirring up of trouble since Japan wants the concessions there. Since the Japs are not able to run things financially and due to the fact that they want a quick return, they want increased representation in the SMC. Armed forces are not wanted there because they stir up trouble and hinder business.

Due to the happening of recent events, the above appears significant.

Hikada is Public Relations Officer for the Japanese Army

~~STRICTLY CONFIDENTIAL~~

~~STRICTLY CONFIDENTIAL~~

Okazaki was at one time Second Secretary of the Japanese Embassy here in Washington. He is now attached to the Consulate General in Shanghai.

NPG 4948

FROM CINCAF
ACTION OPNAV

NITE AG

17 PANAY COURT OF INQUIRY HAS MET RECORD PROCEEDINGS WILL BE
FORWARDED VIA CLIPPER LEAVING MANILA TWENTY THREE DECEMBER 2230

13 ACTION (4)

05 10A 11 16(6) 19 20 30 PX CWD STATE MARCORPS (2)

WHITE HOUSE

FORNED CAPT RUSTVEDT

102380M

White House

~~NOTE: THIS MSG WILL BE FORWARDED TO STATE DEPT BY 13~~

File
~~Confidential~~
NPG 4848

FROM: CINCAF
ACTION: OPSAV

NITE AG

3017 PANAY COURT OF INQUIRY HAS MET RECORD PROCEEDINGS WILL BE
FORWARDED VIA CLIPPER LEAVING MANILA TWENTY THREE DECEMBER 2230

13 ACTION (4)

10 16A 11 16(6) 15 20 38 PX CWD STATE MARCORPS (3)

WHITE HOUSE

FORWARD CAPT MUSTVEDT

192300A

white House

~~NOTE: THIS MSG WILL NOT BE REPRODUCED OR RELEASED TO THE
PUBLIC~~

MPR 4363

*file
confidential*

Navy

FROM: USS DAHU

ACTION: CINCAF

INFO: COMYANGPAT

1937

~~ROUTINE~~
ROUTINE

0015 DURING ESCAPE SURVIVORS FROM SINKING PANAY PLANES DIVER MACHINE
GUNNED BOATS AT EXTREME LOW ALTITUDES WOUNDING TWO PERIOD HOLES IN
OUTBOARD MOTOR SAMPAN PERIOD BEFORE PANAY SANK TWO JAPS ARMY MOTOR BOATS
APPROACHED SHIP MACHINE GUNNED IT BOARDED AND STAYED FIVE MINUTES AL-
THOUGH COLORS AT GAFF FLYING AND EASILY DISCERNIBLE SURVIVORS HID WOUND-
ED AND SCATTERED THROUGHOUT ALL RAIDS AS PLANES REPEATEDLY FLEW OVER
APPARENTLY SEARCHING TO EXTERMINATE ALL PERIOD AT DARK ASSEMBLED AND
REACHED FARMHOUSE WHERE MADE STRETCHERS FROM ANYTHING AVAILABLE OBTAINED
SCANTY FOOD AND PROCEEDED FIVE MILES TO HOHSIEN WHERE WOUNDED WERE PLACED
IN HOUSES AND ANY POSSIBLE SHELTERS PERIOD CONTINUED LATER 2340

TOR IN CODEROM 2210 15 DEC 1937

DISTRIBUTION;

13(4).....ACTION

05 10A 11 16(6) 19 20 30 CWO MARCORPS(2) STATE (2) FILE

BUNAV

MPG 4363

1937

FROM: USS BANU

ACTION: CINCPAC

INFO: COMYANGPAT

~~SECRET~~
ROUTINE

0015 DURING ESCAPE SURVIVORS FROM SINKING PANAY PLANES DIVED MACHINE GUNNED BOATS AT EXTREME LOW ALTITUDES WOUNDING TWO PERIOD HOLES IN OUTBOARD MOTOR SAMPAN PERIOD BEFORE PANAY SANK TWO JAPS ARMY MOTOR BOATS APPROACHED SHIP MACHINE GUNNED IT BOARDED AND STAYED FIVE MINUTES ALTHOUGH COLORS AT GAFF FLYING AND EASILY DISCERNIBLE SURVIVORS HID WOUNDED AND SCATTERED THROUGHOUT ALL RAIDS AS PLANES REPEATEDLY FLEW OVER APPARENTLY SEARCHING TO EXTERMINATE ALL PERIOD AT DARK ASSEMBLED AND REACHED FARMHOUSE WHERE MADE STRETCHERS FROM ANYTHING AVAILABLE OBTAINED SCANTY FOOD AND PROCEEDED FIVE MILES TO HONGSIEN WHERE WOUNDED WERE PLACED IN HOUSES AND ANY POSSIBLE SHELTERS PERIOD CONTINUED LATER 2340

TOR IN CODEROOM 2210 15 DEC 1937

DISTRIBUTION;

13(4).....ACTION

05 10A 11 16(6) 15 20 30 CWO MARCORPS(2) STATE (2) FILE

BUNAV

DECLASSIFIED

DDO DIR. 8200.9 (9/27/58)

Date- 8-8-66

Signature

Carl L. Spicer

In reply refer to Initials
and No.NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS
WASHINGTON

20 December 1937

MEMORANDUM FOR SECRETARY MCINTYRE

Admiral Leahy has directed that I forward to you the following confidential messages received from Admiral Yarnell on 18, 19 and 20 December as being of interest to the President:

December 18th

"In the event that the Japanese Govt suggests recalling Admiral Hasegawa as one of the amends for the Panay incident and as press reports from Tokyo indicate that possibility the following is submitted to the Department:-

"Admiral Hasegawa has been easy to deal with during the past incident and has been very considerate. Because of his duty in Washington as Naval Attache he is friendly towards the U.S. I believe that he conscientiously did his utmost to prevent an outbreak of hostilities at Shanghai and that he does not favor the current extreme militaristic policy of his Government. Our difficulties will probably be greatly increased if any other officer replaces him."

December 19th

"According to a report given to Beatty of United Press by Horigu Chinese Domei Agency Shanghai it is claimed that naval aviators were ordered by the Army to bomb all ships on the river between Wuhu and Nanking. This report was given in confidence but was not verified. It is further claimed that the naval commander protested against this order but the order was carried out after being repeated by Army officials. The Navy is now trying to make the Army publicly admit that they issued the bombing orders, but so far the Army has refused to do so because of the opposition of the younger officers to such admission.

Confidential

"Admiral Hasegawa called today and made the following statements: (1) that planes were acting under Army orders. (2) That, though previously denied, one of the aviators had admitted that he fired machine gun. (3) Because of the fact that communications with the advanced forces were poor, he has had much trouble getting reports from the Army officials.

"The Japanese naval air force used eight hundred planes in making fifty bombing attacks on Nanking according to Reuter Tokyo. During all of these bombings gunboats of Great Britain and the United States were there and after that number of bombings must have been familiar to Japanese aviators from the air. This makes recognition of Panay as American gunboat most probable by bombers, who nevertheless proceeded to carry out orders received from the Army. Among the Japanese bombers who attacked the Panay were two officers who undoubtedly had a part in the bombings at Nanking. One is a Lieut. Comdr. and the other a Lieutenant."

December 20th.

"There will be a news article in the New York Times today about activities of Colonel Hashimoto and discipline in the Japanese Army. Information contained in this article was furnished to correspondent Abend by Matsui who sent the information to Abend in a special plane. Matsui personally requested that the facts be published. As no Japan paper would ever dare print such matters of the Army, Matsui is hoping that the information contained in the article will be wired to Tokyo after it is published in America.

"The article indicates that an unusual condition exists in the Japanese Army. The foregoing probably indicates disregard by the younger officers of the Army of any Tokyo Government agreement in regard to the Panay incident.

"It is thought that the sinking of the Panay will lead to a break between the Navy and Army due to the fact that though Navy planes did the bombing and Navy took the blame they were carrying out Army orders and therefore the Army is responsible for the destruction of the gunboat."

NOTE: Col. Hashimoto is a Japanese Colonel of Artillery at Wuhu who informed British that he had orders to fire on all shipping in Yangtze River.

Abend is a New York Times correspondent in Shanghai.

L.E. Denfield
L.E. Denfield

Commander, U.S. Navy,
Aide to Chief of Naval Operations.

Franklin D. Roosevelt Library

DECLASSIFIED

DDO DIR. 5200.9 (9/27/88)

Date- 8-8-66

Signature-

Carl L. Spurr

DECLASSIFIED

5200.9 (9/27/58)

PSF:
Navy

Date- 4-7-70

In reply refer to Initials
and No. 100-100000-100000

W.D.

NAVY DEPARTMENT
OFFICE OF CHIEF OF NAVAL OPERATIONS

WASHINGTON

21 December 1937

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

My dear Mr. President:

Replying to your memorandum of December 18th, the following information concerning the code books and confidential papers on the USS PANAY is submitted:

Before abandoning the USS PANAY, the Communication Officer took such steps as were practicable under the circumstances to secure the secret and confidential publications. A weighted cover containing cipher instructions and ten ciphers was thrown overboard. Two metal cipher devices were likewise thrown overboard. The remaining 31 publications were locked in the safe which went down with the ship. Of these, 22 pertained to communication codes and ciphers, the remainder to gunnery and miscellaneous subjects.

The Commander-in-Chief, Asiatic Fleet, is taking steps to salvage the PANAY's safe with its publications. If this is accomplished and the safe is found intact, only the publications thrown overboard are in danger of compromise. The silt in the Yangtze River bottom is so soft and so deep that the weighted cover will probably sink beyond recovery by dragging or diving. However, the publications in that cover must be treated as compromised and immediate steps are being taken to replace them.

If the safe is not recovered intact, the immediate damage is comparatively slight as all publications except the general signal book can be replaced within a few months. The real damage to be incurred if the contents of the safe fall into foreign hands will be the detailed information that such foreign cryptographic experts will be able to obtain regarding our cryptographic systems.

Most respectfully,

William D. Leahy -

Confidential

PSF
Navy

THE WHITE HOUSE

WASHINGTON

December 22, 1937.

MEMO FOR MAC

Tomorrow, at the close of Cabinet meeting which will be fairly short - 3.15 P.M., I want Henry Morgenthau, Cordell Hull and Sumner Welles in my office to talk with them. I also want Hull and Morgenthau to come if they can to my office at 1.30 P.M. tomorrow, before the Cabinet meeting, and I want Admiral Leahy and Captain Ingersoll to be there at 1.30 and to come in the back way - through the White House.

F. D. R.

NAVY DEPARTMENT
WASHINGTON

December 9, 1937.

Dear Mr. Secretary:

In our study of the design of battleships Nos. 55 and 56, there have emerged two inter-related questions of importance on which it appears desirable to submit a preliminary report in order that they may be considered by the Department at the earliest possible date. These questions concern

- First, speed
- Second, treaty displacement.

As a result of our study we believe that the speed of these vessels can be increased and that the necessary weight to accomplish this object can be made available.

From the information placed before us, it appears that the design of these vessels provides a speed materially less than that of contemporary foreign designs. It appears that this sacrifice of speed was made to obtain a satisfactory degree of offensive and defensive qualities within the Navy Department's interpretation of the allowed displacement.

Representatives of the Bureau of Engineering have stated that with 360 tons of additional weight, or about one per cent of the standard displacement, it would probably be possible to increase the power of the machinery installation to 180,000 S.H.P., which would give a speed of approximately 29.4 knots. The question which appears of decisive importance to the Board is whether this additional machinery weight can be provided without detriment to the other military qualities of the ship. This at once raises the other question of treaty tonnage limitation.

The question of American adherence to the treaty of 1936 without the adherence of Japan is a political one which this Board does not propose to discuss. The fact of American adherence to this treaty, however, places a grave responsibility on the Navy Department to obtain within the limits of its interpretation vessels as nearly as possible equal in military characteristics to those of the powers which do not adhere to the treaty. The Navy Department has an obligation to carry out in good faith the spirit and general terms of the treaty; it has an equally heavy responsibility to the Nation not to handicap the U.S. naval designer by too rigid and too meticulous

interpretations of detailed treaty requirements, interpretations which clearly lie within the province of the Department.

From our knowledge of practical shipbuilding we recognize the impossibility of estimating in advance the exact weight or displacement of a vessel of this size and complexity within an accuracy of one per cent. We believe the records of the Navy Department will confirm the fact that the actual weight or displacement of two vessels of duplicate design built in two different yards may vary by one per cent or more. Furthermore, we believe it to be a fact that since the 1921 treaty many naval vessels have been underweight; the amount of this underweight represents a clear loss of military qualities which might otherwise have been built into these ships within the treaty limitation of tonnage. In regard to rigid interpretation of the treaty concerning details, we have in mind such items as the following:

(a) In the stores included within the treaty limitation are the following:

GSK stores for 4 months
Clothing and small stores for 3 months
Dry provisions for 2 months
Provisions for cold storage for one month.

As the amount of food is the consideration limiting the time during which a vessel can operate independently of store ships, we can not see why weights for stores other than provisions should be included for periods longer than two months. If all stores, other than those in cold storage, were placed on a uniform basis of two months, we understand that it would be possible to eliminate 62 tons of weight.

(b) There are included within the treaty weights a fixed weight of a distilling plant with a capacity of 80,000 gallons per diem to which is added an arbitrary allowance of 136 tons of potable water. With a distilling plant of such capacity we can see no reason for including in the fixed weights more than a nominal allowance of potable water, especially as under war conditions the daily consumption of water can be cut radically below peace time habits. It would appear that 100 tons of this weight could be eliminated.

(c) There are included in the treaty weights a larger number of boats than need be carried in time of war. This number of boats may very well be desirable for convenience in peace time operation. If only four boats were put ashore or transferred to a vessel of the train under war conditions, there would be a saving in displacement "when ready for sea in time of war" of 25 tons.

(d) We understand that the weight of stores carried for sale through the ship's service store amounts to about 30 tons. While recognizing the contribution of the ship's service store to comfort and contentment, we do not believe that the utilization of this amount of displacement in time of war for this purpose would be justified. It should be possible to eliminate from the calculated displacement at least 10 tons of these stores.

We believe that the total of approximately 200 tons as represented by the above items can be eliminated without departing from fair and proper interpretations of the details of the treaty.

Many other items included in the design, all of which contribute something to comfort and to ease of operation, could well be eliminated in the interest of increased military qualities. We share the concern, expressed by several officers who have given us the benefit of their advice, in regard to the ever increasing complexity of American ships. It is natural and right in the interests of progress and efficiency that the forces afloat should be constantly asking for additional equipment of all kinds to facilitate the multitudinous operations involved in the handling of naval vessels and to add to the convenience and comfort of life on board during long periods of peace. On the other hand we believe that under the conditions established by the treaties to which the United States is a signatory, the Navy Department and its bureaus should and must examine all such requests more from the point of view of what can be left off without undue sacrifice than from the point of view of whether each individual item will make some small contribution to comfort or ease of operation. It is not possible for this Board in the time or with the facilities at its disposal to examine this design in the detail necessary to carry out the thought expressed in the foregoing discussion. We feel confident, however, that 160 tons of such weights could be eliminated in this way. As a few practical illustrations, among many which we believe to exist, it is possible to mention such items as a reasonable reduction in the extent of wood decking, elimination of hot and cold running water in staterooms, and the number and character of spare parts carried.

If the 360 tons or any greater or lesser weights can be saved by any or all of the methods discussed, we realize that the question at once arises whether this weight should be devoted to additional protection or to increased speed; at this stage of construction it obviously can not be used for increased armament. Our own conclusion is clear. These vessels will be the first units of a new battle fleet; their life, if the present treaty is adhered to, will be twenty-six years. We feel confident that a continuation of the engineering progress which has marked the post war era will make possible further substantial increases of speed without sacrifice of other military qualities. If this be the case a group of two or four vessels of inferior speed would continue to be a handicap to the entire fleet. We

For return to
Mc Bride
8-19

do not desire in any way to belittle the importance of protection. We believe, however, that the constant improvement in the design and construction of ships and possible improvements in the ballistic qualities of protective materials will result in giving the ships of future programs increased protection within the same displacement limitation and without sacrifice of other military qualities. In short we believe that any weight, which may be saved in the manner we have discussed, can be better applied in the case of these two ships to increased speed than to increased protection. Protection is a characteristic individual to each ship while speed is a characteristic common to the entire fleet. There must also be considered the possibility that these ships may be employed individually as well as in the fleet; in such a case the value of higher speed is clear.

From the information placed before this Board by the Bureau of Engineering, it appears probable, as stated above, that the speed of these vessels can be materially increased by the assignment of additional weight to the propelling machinery. No extensive changes in the hull or structure of the vessel to increase the machinery spaces would be practicable without extended delay in completion. A delay of say four months would be well justified to accomplish this increase in speed. It is, of course, impossible for the Bureau of Engineering to commit itself on short notice to the exact increase in power and speed which can be obtained on any given increase of weight of machinery and within the limits of the present machinery space. Nor would this Board advocate such an increase as would result in undue crowding of these spaces or any sacrifice of characteristics affecting reliability of operation. It appears clear, however, that substantial gains in power and speed can be obtained on small additional weight. The Board recommends that this be done.

The reconsideration of the treaty interpretations and the elimination of unnecessary weights absorbed by equipment and facilities that do not contribute to essential military characteristics are subjects that require the immediate and serious consideration of the Navy Department. In our opinion the maximum results in this direction can not be accomplished by any one or more of the technical Bureaus but will require the full power and authority of the Navy Department and the cooperation of all its forces afloat and ashore.

Very truly yours,

The Assistant Secretary of the Navy.

PSF

file → Navy -
①

Report of Admiral Reeves on design of
battleships and particularly question of
16-inch versus 14-inch guns.

Sent by Swanson to President

SEE--Claude Swanson-(S) Drawer 1--1937