

DIARY

Book 555-A

Military Reports by Kamarck

March 13, 1941--July 28, 1942

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Kamarck, Andrew M.
See Military Reports

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Treasury Department
Division of Monetary Research

Date March 15, 19 41.

To: Secretary Morgenthau

These are items of significance that may have escaped your attention which Mr. Kamarck has culled from a week's reading of confidential material he goes over in Miss Chauncey's office.

The underlined portions are statements taken from the reports. The other sentences are Mr. Kamarck's own comments and evaluations.

Unless we hear to the contrary, a similar report will be prepared each week.

NDW

MR. WHITE
Branch 2058 - Room 214½

TREASURY DEPARTMENT

INTER-OFFICE COMMUNICATION

DATE March 13, 1941.

TO Mr. White

FROM Mr. Kamarch

Subject: The Most Significant Military Developments of the Past Week

1. The two German battle cruisers, Gneisenau and Scharnhorst (26,000 ton ships), were sighted on March 8th between the Canary Islands and the Cape Verde Islands off the bulge of Africa.

These war ships are the largest that the Germans have ever slipped out of the North Sea. With such formidable ships loose in the Atlantic, it will be increasingly necessary to guard merchant convoys with battle-ships. The presence of these ships in African waters may be an indication that Spanish bases are being used.

2. The Suez Canal has now been closed by German mines for about three weeks. Since the British Near Eastern armies are supplied in large part by way of the Canal, the closing of this route is serious. The mines are probably magnetic mines dropped from airplanes. Counter-measures are effective against such mines but evidently the British had not made sufficient preparations to meet this threat in the Suez Canal.

3. The Axis powers are steadily concentrating large forces against Greece. The situation does not appear very hopeful.

The Italians now have almost 500,000 men in Albania. This is triple the number of troops that were used in the initial Greek invasion last Fall.

The Germans now have 600,000 men in the Balkans. 300,000 of these are already in Bulgaria. The Bulgarian army, which doubtless could not be trusted to play an active part against Greece, has as its main function the manning of the Turkish frontier to protect that German flank during the Greek operations. Only around 75,000 Bulgarians are, therefore, on the Greek frontier.

The Greeks, as a maximum, probably do not have more than 400,000 men to use on all fronts. The British will find it difficult to send more than 100,000 men to Greece. The Allies, then, will be outnumbered on the whole by about 2 to 1.

As an offset to inferior numbers, the Allies, of course, possess the advantage of good defensive terrain, superior supply lines, and, as against the Italians at least, superior morale.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 1, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

Subject: Summary of Attached Reports

Egypt

The British have retired to Sidi Barrani (127 miles from Tobruk). The axis forces have occupied Buqbuq, 25 miles east of Sollum and about 25 miles west of Sidi Barrani. (Source: M. I. D. Situation Report.)

Tobruk harbor has been temporarily closed because of German mines. A land attack on Tobruk was repulsed with heavy German casualties. The British had no casualties. (Source: Military Attache, London, April 26.)

Greece

The British hoped at most to be able to evacuate 40,000 men from Greece and to lose all their material. (Apparently, 48,000 men have been saved.) Practically no British air protection could be provided against the intense German air activity. The evacuation had to be carried out in darkness from the southern and eastern Peloponnesian ports. (Source: Military Attache, Cairo, April 25.)

During the fighting in Greece, one Australian battalion (perhaps 600 men) successfully held off a German mountain division in a pass south of Molos (northwest of Athens) for 40 hours. (Source: Military Attache, London, April 26.)

Syria

German officers in Yugoslavia are discussing an invasion of Syria by sea and air as the next move. The invasion would be preceded by heavy air attacks on British ships in the Aegean and would by-pass Turkey. (Source: Military Attache, Belgrade.)

Palestine

An oil pipe line in Palestine was sabotaged. (Source: Military Attache, London, April 26.)

Spain

75 airplanes have been moved from the Canary Islands to the mainland and Morocco. (This is an opposite movement from that reported about a month ago. At that time, the Spanish were reported as sending heavy reinforcements to the Canaries.) (Source: Military Attache, Madrid, April 28.)

England

In response to your inquiry, no combat missions have been given the Boeing B-17 bombers up to the present. (Source: London.)

During the week of April 24 no ships were lost in any of the Atlantic convoys. (Source: British Embassy, April 27.)

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By authority A. C. 078-022

Date 28 Apr 41 (initials)

Initials

Paraphrase of Code Cables
Received at the War Department
at 12:15, April 28, 1941.

Cairo, filed 20:35, April 25, 1941.

1. Greece.

Losses of British during troops evacuation are severe. There is practically no British air support and German air activity is intense. All material in Greece will be lost but British Army authorities hope to save 40,000 troops. Evacuation is proceeding under cover of darkness from southern and eastern Peloponnesian ports.

2. Libya.

Italian casualties in an attack on Tobruk April 25 amounted to 500 killed or captured.

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Paraphrase of Code Cables
Received at the War Department
at 12:46, April 26, 1941.

London, filed 17:30, April 26, 1941.

1. British Air Activity over the Continent.

a. Daylight, April 25.

Several hits were observed during attacks on Axis shipping off the Dutch and Danish coasts.

b. Night of April 24-25.

Kiel was bombed by 68 British bombers, Le Havre by 21 and Ostend, IJmuiden and Wilhelmshaven by 32. A smaller number made raids on Brest.

2. German Air Activity over Britain.

a. Night of April 25-26.

Raids of minor proportions took place in the Liverpool, Newcastle and Firth of Forth areas. No reports have been received of damage and contact was not gained by night fighters.

b. Daylight, April 25.

Raids over Britain were on a reduced scale. Night planes were observed over the coast in the vicinity of Brighton.

3. Air Losses. British Theater.

a. British. Night of April 24-25.

One plane failed to return after raids over Germany and occupied territories.

b. German. Daylight April 25.

One plane was shot down during raids over Brighton.

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4. British Air Activity. Middle East Theater.

a. Daylight, April 25.

From Egyptian bases bombing attacks were made on the harbor at Rhodes and enemy concentrations at Capuzzo, Derna and Bardia.

b. The same day attacks were made on Tripoli by British planes based at Malta.

5. German Air Activity. Middle East Theater.

a. No damage to military targets was reported in an attack on Tobruk by 21 German dive bombers.

b. German planes continue to bomb heavily roads leading to the Greek coast and ports in the rear of British troops.

6. German Air Losses. Middle East Theater.

Three German dive bombers were shot down during attacks on Tobruk. No British planes were lost.

7. Up to 11:00, April 26, British authorities had no accurate information in regard to the situation of British troops in Greece with the exception that one battalion of Australian troops was reported to have held off successfully one German mountain division in a mountain pass south of Nolos for 40 hours. The British continue their withdrawal with unbroken troops.

8. A 3,000-ton Italian freighter was sunk by British naval units off Tunis. Two Axis tankers were sunk by British aircraft, one off Stavanger and one off Brest.

9. Italy.

The harbor of Tobruk has been temporarily closed to shipping on account of mines dropped from planes. Heavy casualties were suffered

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by German troops in a heavy Infantry attack on Teluk. The attack was repulsed without British casualties.

10. Almanada.

British columns advancing on Desaye are being delayed by road demolitions. The advance, however, continues.

11. Palastine.

An oil pipe line has been sabotaged near Beisan.

END

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G-2/2657-220; No. 378

M.I.D., W.D.

12:00 M., April 29, 1941.

SITUATION REPORTI. Western Theater.

Air: German. Main effort last night was made against Plymouth in considerable force. There were scattering minor attacks along the southern and eastern coasts of Great Britain.

British. Limited offensive activity. The battle cruisers at Brest were again attacked.

II. Greek Theater.

Ground: German troops have occupied the town of Tripoli in the center of the Peloponnesus. The British forces in Greece continue reembarkation from the beaches along the south and southeast coast of the Peloponnesus. The small ports of Nauplia and Kalamata in this region are still held by British troops.

Air: German attacks on the British evacuation are believed to have continued.

III. Mediterranean and African Theaters.

Ground: Axis forces have advanced as far as Bugbug which is about 25 miles east of Sollum. British forces have withdrawn to Sidi Barrani, the farthest point of Graziani's advance and 25 miles to the east of Bugbug. This latest withdrawal further isolates the British force, estimated as the equivalent of a division and a half including limited mechanized equipment, which is encircled in Tobruk, now 127 miles to the rear.

Air: No reports of activity.

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**Paraphrase of Code Radiogram
Received at the War Department
at 7:50, April 28, 1941.**

Madrid, filed April 28, 1941.

**Answering inquiry, report that 75 planes from Canarias
were moved as follows: 40 to the Peninsula and 35 to Malilla
area, Spanish Morocco.**

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Paraphrase of Code Cablegram
Received at the War Department
at 15:32, April 28, 1941

Budapest, filed 19:30, April 28, 1941.

1. On April 26th and 27th German motor transport was observed moving north through Budapest. Newspaper reporters say that German officers in Yugoslavia are discussing a direct attack against Syria by sea and air as the next German move. This attack, preceded by heavy air attacks against British ships in eastern Mediterranean, would by-pass Turkey. Also they state that only 4 motorized divisions were required for the Yugoslav campaign.

2. The partial demobilization of the Hungarian army is now apparent.

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BRITISH EMBASSY,
WASHINGTON, D.C.

April 29th, 1941.

Personal and Secret.

Dear Mr. Secretary,

_____ I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated April 27th.

1. Naval. During week of April 24th there have been no losses in Atlantic convoys, shipping losses generally are lower.
2. Two East Coast convoys unsuccessfully attacked off Ormer and in the Thames Estuary 26th.
3. Norwegian merchant ship damaged Fokker Wolffe with assistance of Hudson aircraft and enemy dropped no bombs.
4. His Majesty's Ship York torpedoed March 26th has sustained further damage from near miss bombs in Suda Bay.
5. Tenth Canadian troop convoy arrived safely in the Clyde April 19th.
6. Reports so far received state Australians amounting to about one brigade have left Greece.
7. Military. Yugoslavia. Yugoslavs attempted to block the Danube. Four points near the Iron Gates successfully blocked by sinking ships. Attempt to block a fifth less important place was only partially successful. The large railway bridge over the Danube at Belgrade was demolished causing obstruction.
8. Bulgaria. It is reliably reported that Sofia is crowded with German wounded and private houses have been commandeered to supplement hospital accommodation.
9. Southwest France. Air reconnaissance Franco-Spanish frontier April 22nd showed no unusual movements on roads or railways but revealed large number of dumps of material. Seven divisions including one motorised are believed to be in area Bordeaux-Mendaye.
10. Royal Air Force. Night of April 26th/27th. Fifty bombers sent to Hamburg and small numbers to Emden, Havre and Brest. Out of 65, two are missing.

11./

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11. Ethiopia. 24 South African aircraft fighters destroyed two fighters and four motor vehicles on enemy aerodromes. One aircraft lost.
12. German Air Force. 26th. During day small formation sweeps over Southeast England dropping few bombs. One enemy fighter and two of own shot down.
13. Night of 26th/27th. About 130 enemy aircraft came over. Night fighters probably destroyed one enemy aircraft.
14. Libya. 25th. Five M.E. 110's escorted by M.E.109 bombed Halfaya. One M.E. 110 shot down by anti-aircraft fire.
15. Home Security. Night of 26th/27th. Light attack on Merseyside and South Lancashire caused only minor damage and few casualties.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 2, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Weekly Military Report: The State of German Morale

(This is based on two independent sources which agree on practically all important points. One source is a Military Intelligence Bulletin derived largely from British data. The other source is an article in the May Infantry Journal written by an American engineer who lived in Belgium during the invasion and occupation.)

The Army

1. Morale in the army is still very high. This is due to the Nazi indoctrination, the successes in the war and to the fact that pay in the army is very high. Morale has, however, slumped somewhat from the spring of 1940 when it seemed that the war would soon end in a German victory.

2. The main reasons for the fall in morale are the desire of the men for the war to end so that they can return home and the fear that an invasion attempt against England will result in severe casualties. In addition, the letters from home are disquieting. In spite of the victories the economic position at home has not improved. The soldiers are also worried by the fear that the British bombing may kill some of their people at home.

3. Morale is weakest among the troops in the occupied countries. Of the different sections, the Austrian troops have the poorest morale, the Bavarians next. The Austrian troops in Norway demonstrated a strong unwillingness to be used in an invasion of England. Severe disciplinary action had to be taken.

4. The German soldiers still have complete faith in Hitler although there persists some dislike of the other Nazi leaders and of the Nazi Party.

The Civilian Population

1. The people at home show surprisingly little enthusiasm for the successes won. This may be due to the fact that the victories did not improve economic conditions.
2. The British air raids are having an exhausting effect on the people and are affecting output.
3. Many families have had no news of husbands or sons. It is generally believed that casualties have been heavier than officially announced.
4. In spite of all this, there is still complete faith in the leadership of Hitler.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 3, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Attached Reports

Next German Move

British Military Intelligence believes that the Germans will attempt seizure of Crete and occupation of Spain and Portugal. (Military attache, London, May 1).

Spain

There is no verification of the report that the Germans are moving through Spain in the direction of Gibraltar. (Military attache, Madrid, April 30).

An unconfirmed report states that new fortifications are being constructed in northwestern Spain. There are also supposed to be 1700 sailors in this area. (Military attache, Lisbon, April 30).

Russia

British Military Intelligence has information that Germany has demanded that Russia permit a German mission to handle the procurement and the transport of supplies intended for Germany. These demands include control of the transportation system. (Military attache, London, May 1)

There is a rumor in Moscow that military forces have had to be transported to counteract unrest among the people on the western border of the Soviet Union. The American Consul was informed that thousands of Germans and Ukrainians have been exiled and hundreds shot because they participated in a movement of separation from the Soviet Union. The German Fifth Column continues to infiltrate across the border. (Military attache, Moscow, April 30)

The Germans have moved four German divisions from the Balkans northward through Budapest since April 26. (Military attache, Budapest, April 30)

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Libya - Egypt

A Glenn Martin bomber on reconnaissance patrol observed and machine-gunned one hundred German troop transports near Benghazi. (Military attache, London, April 30)

50 long-range German bombers have been observed in Libya. (Military attache, London, April 30)

At Alexandria, there are the following ships of the Greek navy:

A cruiser, 6 destroyers, 2 torpedo boat destroyers, 4 submarines, 1 submarine on the way. The Yugoslavs are represented by 1 submarine and 2 motor torpedo boats. (British Embassy, April 27 report from London.)

Greece

The Germans have in Central Greece

200 Fighters

100 Stukas

25 Army Cooperation planes

(Military attache, London, April 30)

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Paragraphs of Code Intelligence
Received at the War Department
at 0420, April 20, 1942.

Madrid, filed April 20, 1942.

Reported movement in direction Gibraltar, through
Spain, not verified. Nazi infiltrations into Spanish portion
of Morocco are small.

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**Memorandum of Cables
Received at the War Department
11:12, April 30, 1941**

Madrid, 22nd April 30, 1941.

In Galiña province, northwestern Spain, new fortifications of an unusual type are being constructed, according to a reliable source which also reports the presence in that area of numerous hundred submarine railers. These reports are not confirmed.

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**Foreignness of Gato Collapsing
Received at the War Department
at Moscow, April 22, 1942.**

Moscow, filed April 22, 1942.

It is rumored that there is a great deal of shifting of military forces to combatant units among the people on the western border of U.S.S.R. The American Consul interviewed a number of Ukrainians and Poles who told him that thousands of Germans and Ukrainians have been called, while hundreds have been shot because they have actively participated in movement toward separation from the Soviet Union; it has been also rumored that shelter had been afforded members of the German Fifth Column the continue infiltration across the frontier.

THRU

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Paraphrase of Code Cabling
Received at the War Department
at 13:23, April 30, 1941.

Budapest, filed April 30, 1941.

1. Four German Divisions moving northward by water through Budapest since April 26th.
2. It is believed that Hungarian troops are policing Serbian areas south of the Danube, in addition to the areas north of the Danube which Hungary intends to annex. Hungarian officials and railroad personnel are also operating in Serbia, thereby releasing German personnel for duty elsewhere.

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Surveillance of Code Sublogram
Received at the War Department
at 10:40, May 1, 1941.

London, filed 19:30, May 1, 1941.

1. British Air Activity over the Continent.

a. Night of April 22-23. Hamburg, Ostend, Rotterdam, and several airfields in the Netherlands were targets for an attack of 100 British bombers. The German battleships at Brest Harbor were again bombed by the Coastal Command without definite results having been observed.

2. German Air Activity over Britain.

a. Night of April 22-May 1. There was little German activity and what there was was limited to the single planes in flights around the east and northeast coast of Scotland. No damage was reported.

b. Daylight April 22. German operations were of moderate proportion, chiefly coastal patrolling.

c. Night of April 22-23. It is estimated that 200 planes were employed in German raids on England chiefly in the vicinity of Plymouth. Destruction and casualties were very high.

3. Air Losses British Bomber.

a. British.

(1) Night of April 22-23. In the raid by 100 bombers over the low countries one plane was lost.

b. German.

(1) Night of April 22-23. In the raids on Plymouth five German bombers were shot down.

4. British Air Activity Middle East Theater.

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5. British April 25. Four bases in Egypt British bombers attacked the German airfields at Derna and Sidi Barrani and the port of Suez.

6. German Air Activity Middle East Theater.

2. Libya. British April 25. Tobruk was again attacked by 15 German dive bombers.

3. Libya. British April 25. The British claim that in four attacks by German bombers no damage resulted.

6. German Air Losses Middle East Theater.

2. British April 25.

(1) Libya. Two German dive bombers were shot down and two damaged in attacks. Several troop transport planes were destroyed at the German airfield near Derna.

(2) Libya. Four Axis bombers were shot down.

7. German and Italian agents have renewed their anti-British activities in the Iraq army.

8. British Military Intelligence estimates that the Germans will attempt the occupation of Crete and that they will advance in the EREWIA Peninsula to take possession of all the Atlantic coast remaining in neutral hands.

9. The press reports that 12,000 German troops have been landed in Finland. We find no authoritative confirmation here. British Military Intelligence considers it improbable.

10. British Military Intelligence information which we consider authoritative states this morning that demands have been made on Russia by Germany, that a German mission be permitted to handle procurement and transport supplies intended for Germany including control of the transportation systems.

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Summary of Gale Submarine
Received at the War Department
at 11:45, April 30, 1941.

London, filed 15:47, April 30, 1941.

1. British Air Activity over the Continent.

2. Dawnlight, April 29.

Attacks on barges and sea traffic off the Norwegian, Belgian and French coasts by medium and heavy bombers resulted in damage to two ships. The offensive missions were performed by fighter squadrons over the coasts of occupied France and the vicinity of the Straits of Dover.

3. German Air Activity over Britain.

4. Night of April 29-30.

Plymouth suffered another fairly heavy raid and lighter attacks were made in the vicinity of Cardiff with single planes over East Anglia and Kent.

5. Dawnlight, April 29.

There were only small and brief operations over Kent. However heavy fighter patrols were active off the English coast.

6. Air Losses. British Bombers.

7. Night of April 29-30.

British night fighters shot down one German plane.

8. Night, April 29-30.

Two British planes were lost in an attack by 25 aircraft against the two German battleships in Bristol harbor. No damage was observed.

9. British Air Activity. Middle East Theater.

10. Losses.

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The port of Benghazi was bombed by British aircraft based on Egypt. One hundred troop transport planes were observed and machine gunned by a single Glenn Martin on reconnaissance patrol.

1. Greece. Daylight, April 29.

British planes based on Crete escorted troop convoys.

3. Greece Air Activity. Middle East Theater.

2. Libya. Daylight, April 29.

British forces in Tobruk were attacked by 22 low-flying bombers. Resultant damage was 44 casualties and some damage to guns and equipment, all of which can be repaired.

1. Greece. Daylight, April 29.

All ships landing and at sea with British troops from Greece were heavily bombed by the Germans. Casualties were heavy in both ships and troops.

4. Greece Air Activity. Middle East Theater.

2. Daylight, April 29.

In a machine gun attack by single reconnaissance plane on troop transport planes at Benina, one was destroyed and several others damaged.

7. The following is a British Military Intelligence estimate of the German Air Force in Central Greece:

Fighters, about 200

Five Bombers, about 100

Also several Army Cooperation Squadrons

About 30 long range bombers have been observed in Libya.

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8. Twilight, April 22.

A British convoy proceeding east was attacked by a submarine 200 miles south of Iceland. An 8,000-ton tanker was sunk and three other ships struck by torpedoes, the fate of which is not known. North of Scotland a Norwegian freighter was sunk by submarine attack.

9. Night of April 24-25.

Up to the present it is estimated 55,000 troops have been evacuated from Greece.

END

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CONFIDENTIAL

BRITISH EMBASSY,
WASHINGTON, D.C.

April 30th, 1941.

Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated April 28th.

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1. Naval. Patia anti-aircraft ship sunk by aircraft - torpedo off Tyne 2150/27.
2. Following Greek warships at Alexandria. Averoff with Flag Admiral Kavadias, 6 destroyers, 2 torpedo boat destroyers, 4 submarines 1 expected, 1 repair ship. 1 Yugoslav submarine, 2 motor torpedo boats also reported at Alexandria. Glencarn special service ship off South West Greece and Rover in Suda Bay both damaged by near miss bombs.
3. So far reported 26,000 British troops evacuated from Greece. About 16,000 to follow.
4. Sunderland on night flight to Narvik 27/28 reported no enemy units.
5. Lady-Bird has bombarded Gazala, Aphis. An enemy column at Halfaya Pass Solumne Escarpment.
6. Reference to attack by our destroyers on enemy convoy 16th; reconnaissance now reveals wreck of Folgore class. Also probably 1 Folgore 1 Spica and Luca Tarigo sunk,
7. During three air attacks on East Coast convoys 27th 1 Dutch ship damaged. On 26th in addition to 1000 ton merchant vessel sunk by bomber command 1 4000-ton ship and another damaged in the North Sea.
8. Royal Air Force. Night of 27th/28th. All operations cancelled.
9. German Air Force. Night of 27th/28th. 101 enemy aircraft plotted 32 were minelaying, 45 attacked Portsmouth. Considerable damage to property. Several fires caused, three in dockyard serious, all under control. Night fighters destroyed 1 enemy aircraft, damaged another.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 5, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Attached Reports

Libya

Four ships arrived at Benghazi on April 25th with fuel and bombs for the axis forces.

Three more ships left Tripoli on April 26th for Benghazi with fuel, bombs and ammunition. (British Embassy, London telegram, May 1)

(These were days when the British fleet was occupied in the evacuation from Greece.)

It is believed that the whole of the German 15th Panzer division has now arrived at the front lines. (Military Attache, London, May 2).

(This division is a full-sized Panzer division having 424 tanks. It disembarked at Tripoli on April 18 and was expected to reach Tobruk by May 8, according to our military attache at Cairo.)

England

In the German air attack on Plymouth on the night of April 29th, the Germans inflicted considerable damage to a new British destroyer and slight damage to a new cruiser. (British Embassy, May 1, telegram; Military Attache, London, May 2)

The Royal Air Force used 10 Sterling long-range bombers against Berlin. 82 other bombers attacked Kiel the night of April 30th. (British Embassy, May 1, telegram)

Central America

On April 29, Costa Rica delivered Carl Bayer, Nazi leader in Costa Rica, to the Canal Zone to be deported to Germany via Japan. Immigration officials are holding Bayer for the first Japanese boat.

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Paraphrase of Code Callaghan
Received at the War Department
at 0841, May 2, 1941.

London, filed 1415, May 2, 1941.

1. British Air Activity over the Continent.

a. Daylight, May 1.

Air movement shipping at Ben Elmer, Flushing and Scheldt was attacked by a formation of medium British bombers. Other medium bombers carried out raids on petroleum storage installations at Rotterdam.

b. Night of April 30 - May 1.

Less British planes carried out raids on Dutch and North German airfields and engaged in bombing attacks on Emden and Wilhelmshaven. During the same night four British bombers attacked Rotterdam. Ten were dispatched against targets in Berlin and a large force of 52 carried out raids on Kiel.

2. German Air Activity over Britain.

a. Night of May 1-2.

Targets in Northwest Scotland and at Milford Haven and Liverpool were attacked by medium-sized formations of German planes.

b. Day of May 1.

A small number of German planes engaged in patrol duty along the Dover Straits and only one German plane penetrated the coastline of England.

c. Night of April 29-30. German aircraft inflicted considerable damage on a recently built British destroyer at Plymouth.

3. Air Losses British Forces.

a. British.

There were no British plane losses in this period.

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3. German.

One German plane was damaged and one was shot down by British night fighter planes during the night of May 1-2.

4. British Air Activity. Middle East Theater.

A large number of Axis motor vehicles were wrecked as result of British attack on a motor transport concentration between Hama and Qamish. British planes also carried out raids on the airbases at Qamish, Hama and Deir, during which six Axis planes were destroyed.

5. Axis Air Activity. Middle East Theater.

On the night of April 28-29 Axis bombers carried out an attack on Hama. Severe damage was inflicted on a British mine sweeping vessel and on a British destroyer. In the Irbid Theater Axis dive bombers again raided Tiberias. During daylight hours of May 1, Axis planes carried out six raids on Tiberias.

6. It is thought that the whole of the German 15th Armored Division is now in the front lines in the Egyptian campaign.

7. Activity in the vicinity of Tiberias continues to be intense. It is reported that the outer defenses at this town have been broken through by a total of 60 German tanks.

8. It is feared that the Iraqi Army may attack the British held Habbaniya airbase at any time. The Iraqi situation continues to become more grave.

9. No authoritative figures are available as to the number of British troops evacuated from Greece but it is felt that the following estimate is reasonably correct - of the 57,000 British troops sent to Greece, a total of 45,000 have been safely evacuated. This evacuation has been completed.

LII

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Distribution

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Air Corps

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BRITISH EMBASSY,
WASHINGTON, D.C.

Personal and Secret

May 3rd, 1941.

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Lincoln

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram received from London
dated May 1st, 1941.

Naval. One destroyer and one minesweeper badly damaged air raid Malta night of April 29th-30th. Yard craft and stores also suffered. One minesweeper damaged by mine deep water Malta.

2. New cruiser slightly damaged by bomb Plymouth night of April 29th-30th.

3. H.M.I.S. Parvati A/S vessel sunk by mine southern Red Sea.

4. On April 29th Naval units carried out heavy bombardment of enemy M/T concentrations southeast of Tobruk.

5. Armed boarding vessel Cavina captured Italian tanker Sengro, 6,466 tons, loaded fuel oil in North Atlantic.

6. Early April 30th Air officer commanding Iraq informed by Officer Commanding an Iraqi mechanised unit that "in the course of training" he had taken up positions on hills surrounding Habbaniya and any aircraft or troops leaving cantonment would be fired upon. He was told this contrary to Anglo-Iraqi treaty and that aircraft would carry out normal training.

7. Enemy intelligence. German supplies to North Africa. 4 ships arrived at Benghazi on April 25th (2 over 3,000 tons) with fuel and bombs. 3 more ships left Tripoli for Benghazi on April 26th with fuel bombs and ammunition.

8. **Royal Air Force.** April 29th. Additional reports. Direct hits made on 2 merchant vessels off

Stavanger/

Regraded Unclassified

-2-

Stavanger of 5,000 and 4,000 tons respectively.

9. April 30th. Ship of 700 tons hit and wireless station North of Bergen successfully attacked.

10. Night of April 30th/May 1st. 96 bombers despatched, attacked Kiel (82) Berlin (10 Stirlings) Rotterdam 4. All returned safely.

11. German Air Force. Night of April 29th/30th. Total of 8 enemy aircraft destroyed.

12. April 30th and night of April 30th/May 1st. Enemy activity slight.

Paraphrase of Code Radiogram
Received at the War Department
at 6:45, April 20, 1941.

Parame, filed April 20, 1941.

On April 20th by special WAGA plane Carl Rayer, Nazi leader in Costa Rica, was delivered to the Canal Zone, at the request of the Costa Rican Government, to be deported to Germany via Japan. Further details later. Awaiting passage on the first available Japanese boat, he is now in the hands of Immigration Officials at Canal Zone Quarantine.

VAN VORHIS

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 6, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Egypt

Around May 1st, a large troop convoy arrived at Suez. On May 3rd, two more convoys totalling 200,000 tons arrived. Another convoy of 164,000 tons was expected shortly after May 3rd. (These convoys probably brought around 50,000 soldiers or almost doubled the previous English strength in Egypt.) (British Embassy, London telegram, May 3)

Libya

It is anticipated that the axis "effort in Libya is shortly to be increased". Reinforcements of men and material are being transported to Cyrenaica by air. (British Embassy, London telegram, May 2)

In the May 1st attack on Tobruk, the axis lost eleven tanks; four of these were lost in mine fields, four by fire from English tanks and at least 3 by Molotov cocktails (bottles of gasoline according to the Spanish Civil War example). The British lost twelve tanks; seven were knocked out and five broke down mechanically. (The British lost some tanks in Greece from mechanical troubles too.) (British Embassy, London telegram, May 2)

According to our military attache in Rome, there are 23 axis divisions in North Africa (450,000 men). He reports that the Germans have five panzer divisions, two motorized divisions and one infantry division (about 150,000 men). The Italians have one armored division, two motorized divisions and twelve infantry divisions (about 300,000 men). (Comment: This is triple the forces our military attache and British Military Intelligence report as being in North Africa. Five German panzer divisions in North Africa would represent one half of the total panzer strength used against France last year.)

600 German and 450 Italian planes used in the Balkans are now free. The Germans have available for use in the Eastern Mediterranean, two air armies with a total strength of 1,500 combat planes. (Rome, Military Attache, May 2)

Iraq

The Iraqi have put 22 British planes out of action. Surrounding the Habbaniya airport, the Iraq army has in position, one infantry brigade, one mechanized brigade of twelve armored cars and probably one mechanized machine gun company. (The total is not likely to be more than several thousand men) (British Embassy, London telegram, May 3)

Spain

Nazi troops have been concentrating in Occupied France near the Spanish border for about ten days. Actual entry into Spain has not been reported. (Vichy, Naval Attache, May 2)

Russia

The Italian ambassador in Moscow does not believe Germany will move against the Soviet Union this year.

The Japanese military attache in Moscow states that the report of the transfer of the Russian 15th Army from the Far East to Western Russia is propaganda. (Moscow, Military Attache, May 5)

While there are many rumors in Hungary of an imminent attack by Germany on Russia, our Belgrade military attache thinks this is unlikely. The German military and air attaches in Hungary are going home on leave to Germany for a month. It is, therefore, doubtful if anything important will happen in this area.

On May 1st, another German motorized division passed through Budapest going north. (Budapest, Military Attache, May 2)

German aircraft, artillery and other military supplies have been coming to Japan via the Trans-Siberian. (This explains whom the ban on military shipments across Russia was designed to hit--if the ban is enforced.) (Tokyo, Military Attache, May 2)

Balkans

All kinds of ships, ocean-going, as well as Danube River ships, are being concentrated at Constantza, Romania. (This may be preparation for a naval-land expedition against Istanbul.) (Bucharest, Military Attache, May 2)

Traffic on Danube has been seriously curtailed by the bridges destroyed at several Yugoslav towns. (Belgrade, Military Attache, May 2)

The total of British soldiers evacuated from Greece comes to 43,000 out of an estimated total of 55,000 to 56,000. Not more than 500 of those embarked were lost. (British Embassy, London telegram, May 2)

England

On May 1st, a lone German bomber dropped five bombs on the Whitehead factory (presumably a torpedo plant), Weymouth and interrupted production. (British Embassy, London telegram, May 2)

Germany

The Russian military attache at Budapest informed our military attache that the present German airplane production is 4,500 per month. (Belgrade, Military Attache, May 2)

Italy

The total effective Italian air force totals only 1,050 airplanes. Of these, 700 are land based combat planes; 250, army and navy reconnaissance planes; and 100 are seaplanes. (Rome, Military Attache, May 2)

BRITISH EMBASSY,
WASHINGTON, D.C.

Personal and Secret

May 5th, 1941.

Dear Mr. Secretary,

I enclose herein for your
personal and secret information copies
of the two latest reports received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.

Telegram received from London
dated May 2nd, 1941.

Naval. From "Wynneck" 1 officer 26 ratings,
from "Diamond" 10 ratings saved.

2. P.M. May 1st. Single enemy aircraft dropped
5 bombs on Whitehead factory, Weymouth, production
interrupted.

3. On May 1st Upholder sank two north bound
merchant vessels east of Kerkennah Island; Ladybird and
Aphis were bombarding enemy Gasala area.

4. Military. Evacuation operations from Greece
now reported complete, total number of army personnel
got away about 43,000 out of total in Greece now assessed
at between 55,000 and 56,000. Of those embarked not more
than 500 understood to have been subsequently lost. Of
1700 Royal Air Force personnel, all but about 100 were
evacuated.

5. During the night of April 30th/May 1st, enemy
attacked Tobruk and penetrated southwest perimeter;
morning of May 1st, 30 tanks were reported attacking in
this area; at 2 p.m. battle was still in progress and
60 enemy tanks were reported within perimeter and were
being engaged by our tanks and artillery.

6. Enemy intelligence: anticipated German and
Italian effort in Libya shortly to be increased.
Strenuous efforts being made to bring up remainder of
15th armoured division to forward area and reinforcements
of men and material being transported to Cyrenaica by
air.

7. Royal Air Force. May 1st. Blenheim attacked
shipping off Holland, near mine made on 5000 ton tanker.

Rotterdam/

-2-

Rotterdam petrol stores successfully attacked by one aircraft. 10 aircraft bombed Den Helder hitting power house and dock installations. One aircraft missing.

8. Night of May 1st/May 2nd. Bomber command operations cancelled but 5 coastal aircraft attacked Brest, 3 dropped mines there.

9. German Air Force. May 1st/May 2nd. 73 aircraft operated all but 2 against Liverpool area. No heavy damage caused and casualties not serious. Night fighters destroyed one bomber and damaged another.

10. Tobruk was bombed 6 times each day April 29th and April 30th. Two Junker 87s destroyed and two damaged by anti-aircraft fire.

Telegram received from London
dated May 3rd, 1941.

Naval. A/G trawler bombed sunk May 1st off Start Point. During air raids Malta "Encounter" and "Ferney" were further damaged and one auxiliary mine-sweeper sunk. "Jersey" sunk by mine May 2nd.

2. May 2nd. His Majesty's ships in Persian Gulf were ordered to commence hostilities against Iraq. A large troop convoy arrived at Suez a few days ago, two other convoys totalling about 200,000 tons have just arrived, and another totalling 164,000 tons due shortly.

3. Military. Tobruk. Determined attacks by enemy from direction of Aeroma on western perimeter throughout May 1st resulted in capture of our foremost defended localities on 5,000 yards front. Enemy tanks concentrating on infantry forward posts. Counter attack on with tanks, portion of enemy withdrew after losing 4 tanks in mine fields, at least 3 by Molotov Cocktails and 4 knocked out by our tanks. Our losses during the day were 3 infantry and 4 cruiser tanks while additional 5 infantry tanks broke down mechanically. That evening counter attack by one battalion was unable, owing to enemy tank action, to restore all localities and general line was adjusted to exclude salient at El Medawar.

4. On the morning of May 2nd 30 medium tanks followed by two companies of infantry advanced against our new line but were stopped by artillery fire.

5. Iraq. May 2nd. Operations began round Habbaniya aerodrome. Iraqi artillery fire continued in spite of active bombing but later subsided owing to suspected shortage of ammunition. Up to now we had

suffered/

-2-

suffered about 40 casualties. 22 of our aircraft were put out of action. Iraqi aircraft made unsuccessful bombing and machine gun attack on camp. Iraqi forces in this area are estimated at about 1 infantry brigade, 1 mechanised artillery brigade of about twelve armoured cars and probably one mechanised machine-gun company.

6. Similar situation exists at Basra where an Iraqi battalion is reported dug in north of the town with a pack battery guarding southern approach to the railway bridge on Basra-Baghdad railway.
7. Royal Air Force. May 2nd. Elenheims bombed 2 merchant vessels off Juist. One vessel sunk and other set on fire.
8. Night of May 2nd-3rd. 119 aircraft despatched against Hamburg industrial centre (94) Emden Docks (22) and Rotterdam petrol stores (3). Four of our aircraft have not reported to base.
9. Mediterranean. May 1st. Destroyer and merchant vessel were sunk and on May 2nd direct hits were scored on 3 merchant vessels and on a destroyer by Elenheims off coast of Tunis.
10. Night of April 30th-May 1st. Benghazi attacked, many fires started and ammunition dump destroyed.
11. German Air Force. Night of May 2nd-3rd about 150 enemy aircraft operated, Liverpool area main target. Three aircraft destroyed by night fighters and one by anti-aircraft fire.
12. Tobruk attacked by dive bombers escorted by fighters on May 1st. Four ME 109s were shot down, one Hurricane being destroyed.

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Paraphrase of Code Radiogram
Received at the War Department
at 16:01, May 2, 1941

Rome, filed May 2, 1941.

In reply to your telegram numbered 473, divisions now in
North Africa are as follows:

Mechanized:

Italian	1
German	5

Motorized:

Italian	2
German	2

Infantry:

Italian	12 (organized from elements of the colonial police.)
German	1

The Italian divisions are for the most part organized for motor transportation but have not organic transport enough to move them. In addition, there is also the Royal Corps of colonial troops. The forces listed above are being increased as troop movements continue.

Six hundred German combat planes and 450 Italian combat planes have been released by the close of operations in the Balkans.

For use in the Central and Eastern Mediterranean and in Africa, the axis powers now have available 2 German air armies. Their total strength is 1900 combat planes, land-based, and remnants not otherwise provided for. The total effective forces of the Italian Air Force consist of 700 land based combat planes; 250 army

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and many reconnaissance planes; 100 seaplanes. It will be possible to enlarge the German air force as fast as fuel and bombs reach Africa for them.

VIII

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Paraphrase of Code Radiogram
Received at the War Department
at 9:41, May 2, 1941.

Vichy, filed May 2, 1941.

According to official sources, concentration of Nazi troops in occupied France near Spanish border has been in progress for about ten days, but actual entry of such troops into Spain has not been reported.

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Paraphrase of Code Radiogram
Received at the War Department
at 16:01, May 2, 1941.

Budapest, filed May 2, 1941.

The Russian Military Attache has informed me that the present German airplane production is 4500 per month.

River traffic on the Danube and Tisza has been seriously curtailed by bridges destroyed at Gombos, Ulvidek, Titel and Zenta. (The last two towns are on the Tisza).

Many rumors here of imminent attack by Germany on Russia but it seems unlikely. The German Military and Air Attaches are about to go on leave to Germany for a month, hence doubtful if anything important will occur in this area.

Another German motorized division moved northward May 1st. None today.

PARTRIDGE

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War Plans Division
Office of Naval Intelligence

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Paraphrase of Code Calligram
Received at the War Department
at 8:27, May 8, 1941.

Moscow, filed May 8, 1941.

1. The Italian Ambassador does not believe that Germany will move against the Soviet Union this year.

2. The movement of the 15th Army from the Far East is alleged by the Japanese Military Attache to be propaganda.

3. The Japanese Assistant Military Attache to Moscow stated that he will depart from Moscow on May 8 to go with Matsuka on a mission to bring about better feeling between the United States and Japan.

THAION

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52

Paraphrase of Code Radiogram
Received at the War Department
at 9:22, May 5, 1941.

Tokyo, filed May 2, 1941.

No first hand information this office about arrival in Japan of military missions from Germany and Italy though such missions have left Japan for those countries. No move discernible at present which might be interpreted as preparatory to military action under Article 3 Tripartite Pact though Japanese strength in Indo-China, Eastern and Western Russia greater than normal under China War conditions and may be there in readiness for move against Singapore or East Indies. Also rumors that Japanese naval and Air Force strength increased Saigon. Not in position to evaluate these rumors. German aircraft, artillery and other military supplies coming to Japan via Trans-Siberian RR.

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**Paraphrase of Code Collinson
Received at the War Department
at WFO, May 2, 1941.**

Bucharest, filed 14:00, May 2, 1941.

All kinds of ships, ocean-going as well as those employed on the Danube, are being concentrated at Constanta. This report is considered reliable although the purpose for which this shipping is intended is not clear.

REAY

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**Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
War Plans Division
Office of Naval Intelligence**

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 6, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

*Try and keep
this up to date
in military*

MA

Subject: Summary Tabulation of Royal Air Force Raids to
May 1, 1941 (Based on Hanson Baldwin's Data)

A. Number of Areas Attacked

In Germany	270
In occupied areas	265
In Italy and Sicily	<u>27</u>
Total	562

B. Analysis of Targets

Number of Attacks

Ports, docks and shipping	850
Airdromes and seaplane bases	700
Industrial plants	650
Oil refineries, synthetic oil plants and tank farms	<u>330</u>
Total of above	2,530

C. Leading Cities Attacked

Number of Attacks

Germany

Hamburg (port)	65
Bremen (port)	62
Cologne (industrial center)	61
Wilhelmshaven (port)	48
Emden (port)	44
Gelsenkirchen (synthetic oil)	43
Kiel (port)	39
Berlin (industrial center)	39
Mannheim (industrial center)	36
Essen (industrial center)	33
Hanover (synthetic oil)	<u>33</u>

Total of above (11 cities)	503
----------------------------	-----

- 2 -

Division of Monetary
Research

Number of Attacks

Occupied Areas

Boulogne (port)	81
Calais (port)	67
Ostend (port)	64
Flushing (port)	63
Brest (port)	57
Lorient (port)	<u>48</u>
Total of above (6 cities)	380

Italy

Turin (industrial center)	11
Naples (port)	<u>9</u>
Total of above (2 cities)	20

D. Total Royal Air Force losses in these
raids to May 1 600 planes

MAY 5 1941

NEW YORK TIMES

THE BATTLE OF THE AIR

By HANSON W. BALDWIN

The heavy German bombings of British ports continued last week with Liverpool and the Merseyside subjected to some of the most severe attacks of the war.

These continuing large raids against Britain are now made probably by from 300 to 500 planes—by no means the largest forces the Germans could employ, but forces that they can continue employing indefinitely. Raiding of this type—by night, with small losses to the Germans, and with large port cities and dockyards as the principal objectives—is having, and is certain to have, cumulative effect upon the British war effort. On the other hand, there is another side to this picture: it presents many of the cities of Germany blasted by bombs and a small, but steadily increasing toll of Nazi night bombers.

Official figures for the first twenty months of the war, up to May 1, just made available from Britain show that British aircraft have bombed over 270 areas in Germany, 263 others in German-occupied territories and twenty-seven in Italy and Sicily, a total of 560 objectives. The figures show the British preoccupation with the so-called invasion ports and German submarines and naval bases that have been raided repeatedly and heavily by the Royal Air Force. The total number of raids on ports, docks and shipping is about 550.

Boulogne has been bombed 81 times, Calais 67, Hamburg 65, Ostend 64, Flushing 63, Bremen 62, Brest 57, Wilhelmshaven 48, Lorient 48, Emden 44 and Kiel 39 times. Berlin has been bombed 39 times, Naples 9 times and Turin 11 times. There have been some 550 raids on industrial plants, 61 of them on Cologne, 36 on Mannheim, 33 on Essen.

Blows at Nazi Oil Supply

The British continue to blast away at Germany's oil refineries, synthetic oil plants and tank farms, although not with the same intensity as at other targets. Three hundred and thirty raids have been made on these objectives, 43 of them against Gelsenkirchen, 33 against Hanover. German airdromes and seaplane bases have been bombed 700 times.

In all of these raids the British have lost since the war started about 600 planes, including fighters on offensive sweeps, and have destroyed on the ground or shot down about 140 German planes that attempted to intercept them.

All of this presents a picture of considerable damage to Germany and German-occupied territory at

relatively little cost (average loss of about thirty bombers, or accompanying fighters, a month, plus most of the air crews that man them).

The R. A. F. offensive effort is still not equal in mass to the German thrusts, since it seems unlikely that the British are as yet able to send out from bases in Britain an average of more than 100 to 250 bombers nightly. The British are hammering at widely dispersed targets, whereas the Germans are hitting at concentrated targets. Moreover, compared to the operations of last year, the German raids now seem to have somewhat greater continuity of effort.

Obviously, neither side has yet solved the problem of night bombardment, although the British seem to have made more progress than have the Germans. The British, since the beginning of this year, have shown growing confidence in their air strength and apparently have conducted more daylight sweeps against near-by objectives, such as invasion ports and enemy airfields, than the Germans.

Losses More Nearly Equal

The air losses—because most of the action has occurred at night—are more nearly equalized than they were last year when in the great daylight air battles over Britain the Germans lost two to four times the number of planes lost by the British.

The British estimate that the Germans have lost about 3,300 aircraft during the course of the war and 7,700 trained airmen. But only a very small portion of this number has been lost since the major air battles of last year tapered off in October and November. In the entire month of April eighty-seven German raiders were shot down over the British Isles, according to British official figures, as compared to the 100 to 200 lost daily in some of the air battles of last September.

The figures for German planes shot down over Britain this year have been officially estimated by London as follows:

Cause	April	March	Feb.	Jan.
Night fighters.....	48	19	4	3
Anti-aircraft.....	35	19	7	11
Other methods.....	3	8	5	3
Total.....	87	44	16	15

The indicated increases in losses is not a relative one, since obviously a great many more German planes were raiding Britain during April than during the bad weather of January.

It is likely that both sides are able to more than replace their total losses in planes and pilots.

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Paraphrase of Code Radiogram
Received at the War Department
at 14:00, April 25, 1941

London, filed April 25, 1941.

I. Daily Cable.

1. British Air Activity over the Continent.

a. Daylight of April 24.

Fighter squadrons effected three offensive patrols over Occupied France attacking airfields. Two freighters were sunk off the Norwegian coast.

b. Night of April 23-24.

No results were observed after an attack by 67 heavy bombers on the two German battleships in the harbor at Brest. All British planes returned safely. A direct hit on one of these battleships in a recent raid has been claimed. The battleship was probably damaged. Le Havre was attacked by the Coastal Command.

2. German Air Activity over Britain.

a. Night of April 24-25.

German raids over Britain were widely scattered and on a reduced scale, chiefly over England, with a few planes attacking targets in Scotland.

b. Daylight of April 24.

There was very little German air activity over Britain except for strong defensive patrol of the Dover and Calais area and attacks on shipping.

3. German Air Losses, British Theater.

a. Night of April 24-25.

British night fighters damaged two planes.

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4. British Air Activity, Middle East Theater.a. Libya.(1) Daylight of April 24.

Planes based on Egypt continued fighter and bombing attacks on Axis landing fields, motor convoys and supply dumps at Gasala, Bengasi and Derna.

(2) Tripoli airport was again bombed by planes based at Malta.

b. Greece.(1) Daylight of April 24.

No British air operations are reported. Substantially all British combat planes have been evacuated from Greece and are now based on Egypt or Crete.

5. German Air Activity, Middle East Theater.a. Daylight of April 24.

German air activities were on a minor scale except in Greece where the rear communications of the British forces as far as the Greek coast and particularly the roads Thebes and Corinth to Eleusis were subjected to heavy and uninterrupted bombing.

6. German Air Losses, Middle East Theater.a. Daylight of April 24.

One German plane was destroyed in British raids on Libyan supply facilities and landing fields.

b. Night of April 23-24.

In the course of raids on Plymouth, HMS LINES, destroyer, (1918) 1090 tons, was severely damaged.

7. Greece.a. Night of April 23-24.

In raids on Piraeus harbor, German planes sank one

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destroyer and damaged a second and a hospital ship. Two other hospital ships were damaged; one off Missolonghi and the other off Megara.

II. The following is a summary of British Intelligence information to 07000, April 25:

1. In Italian East Africa the advance of British forces continues successfully.

2. Greece.

a. It is reported that a German Air-borne Division has been placed at the disposal of the High Command in Greece. It is thought that it will probably be employed against Crete or Athens.

b. An attack by a German Mountain Division was reported repulsed on the British front.

c. Small enemy parties were reported to have landed on Euboea, but later withdrew.

d. Small detachments of Germans have entered Preveza.

e. German gun emplacements are being prepared on the shore of the Gulf of Lemaikos.

3. Libya.

a. Sollum.

British offensive night patrols are continuing with success.

b. Tobrukh.

Ten Axis trucks loaded with troops, 8 planes and 3 guns were destroyed by British artillery.

LEE

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Assistant Chief of Staff, G-3

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G-2/2657-220; No. 376

M.I.D., W.D.

12:00 M., April 26, 1941.

SITUATION REPORTI. Western Theater.

Air: German. Attack of moderate intensity was made on Sunderland on the night of the 25th-26th.

British. Normal attacks on northwestern Germany centering on Kiel. A light raid was made on Berlin.

II. Greek Theater.

Ground: German troops have reached Thebes. British forces, presumably covering the evacuation, are reported making a last stand on Mount Kitheron and Mount Gerania.

Air: No change.

III. Mediterranean and African Theaters.

Ground: North Africa. A German attack on Tobruk was repulsed. Patrol actions are reported in the Sollum area.

Abyssinia (Ethiopia). The British have continued pressure on the Italians at Dessye and near Gambela, capturing several hundred prisoners.

Air: Axis. Attacks on ground forces near Sollum. Malta was bombed. Attacks on shipping in the eastern Mediterranean.

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Paraphrase of Code Cablegram
Received at the War Department
at 09:09, April 26, 1941.

Ankara, filed April 25, 1941.

Orders have been issued for the Army Service and the Reserve Officers' School to move at once from Constantinople to the interior of Turkey. Certain individuals connected with the schools, now on sick leave, have also been ordered to move. The two movements have caused a fairly serious congestion of the Hyderpasha railhead. This action is of a precautionary nature.

KLJUS

Distribution:

Secretary of War
State Department
Secretary of Treasury
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Assistant Chief of Staff, G-2
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G-2/2657-220; No. 377

M.I.D., W.D.

12:00 M., April 28, 1941.

SITUATION REPORTI. Western Theater.

Air: German. Offensive activity on a significant but reduced scale. The Liverpool area was bombed on the night of the 26th-27th. Last night the main effort was delivered against Portsmouth. Effective attacks on shipping are claimed.

British. Normal offensive activity. On Saturday night Hamburg was attacked heavily. Direction of last night's effort is undisclosed. Yesterday a small daylight raid, probably experimental, was made in the Cologne area.

II. Greek Theater.

Ground: German troops occupied Athens on April 27. This force comprised one armored and one motorized infantry division. German parachute troops captured the isthmus of Corinth on April 26. A German column crossed the Gulf of Corinth from Missolonghi on April 27. This column then captured Patros and Pyrgos. How the crossing of the Gulf was effected is not known.

The Italians have occupied the island of Corfu.

British forces are reembarking from Nauplia and other Peloponnesus beaches.

Air: Continuance of German close support plus attacks on shipping used in the British evacuation.

III. Mediterranean and African Theaters.

Ground: North Africa. Axis units on the evening of April 26, crossed the Libyan-Egyptian frontier at several points. It is impossible to state at this time whether the Axis offensive is underway or whether this action is merely a reconnaissance.

Abyssinia (Ethiopia). British forces closing in from the north and south have occupied Dessye.

Air: No reports of important operations.

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G-2/2657-220; No. 385 M.I.D., W.D. 12:00 M., May 7, 1941.

SITUATION REPORTI. Western Theater.

Air: German. Glasgow, Liverpool and the Clyde were attacked again. Air combat was reported along the Southeast coast and the British claimed nine Messerschmitts shot down.

British. Fires started at Hamburg and Le Havre.

II. Mediterranean and African Theaters.

Ground: North Africa. No special change in the situation.

East Africa. British troops have occupied Quoram, about thirty miles south of Amba Alagi.

Air: Axis. Tobruk raided and one ship sunk in harbor.

British. Raids on axis bases in Eastern Libya.

III. Iraq and the Arab World.

Iraq forces driven from Habbania airfield, west of Baghdad. Nine British bombers and two transports destroyed on the ground by Iraq bombers. A watch is being kept for Axis transports carrying troops to Iraq or preparing to land troops in Syria. The pipe line to Haifa is in Iraq control only at Kirkuk, Fort Rultah and two minor points, but these are important junctions of transportation also.

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Paraphrase of Code Cablesgram
Received at the War Department
at 18:45, April 25, 1941.

Lisbon, filed April 25, 1941.

Another Infantry Battalion sailed for Horta (Azores)
on April 24.

CANN

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/ Secretary of Treasury
Under Secretary of War
Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence

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65

Paraphrase of Code Radiogram
Received at the War Department
at 18:41, May 5, 1941.

Ankara, filed May 5, 1941.

The tone of the Turkish press toward Germany is less
belligerent. There are appearing articles on England which
are mildly critical.

ELUS

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Paraphrase of Code Cablegram
Received at the War Department
at 16:00, April 26, 1941

Berlin, filed 16:30, April 26, 1941.

1. Germany has had unusual success in handling her supply situation in all campaigns. The principles underlying her supply operations have been in general enunciated in Report No. 16833. However, under the stress of war there have been some slight moderations, viz:

2. The National Socialist Motor Corps has created numbers of motor transport and traffic regulation battalions.

3. The "Todt" organization (G-2 Note: The organization which constructed the West Wall) has created a large number of labor units to assist the pioneers in repair and maintenance of roads.

4. Air superiority has also been a major factor in the success of the German supply operations. This air superiority has prevented the enemy from interfering seriously with the movement of German supply columns, and has permitted the Germans to avoid time consuming precautions against enemy aircraft.

5. I desire to stress also the following points in the German methods.

6. All manufacturing, transportation, and supply institutions are under military control.

7. Supplies are distributed in depth.

8. Reserves are maintained at all time.

9. Loading is done in such a way as to avoid unnecessary re-handling.

10. Columns are protected by mobile antiaircraft guns.

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11. Coordination and cooperation of all units and agencies; rail, water, and air; to transport the appropriate material, when and where needed. Able and energetic leadership.

12. The existence of an organization for the prompt seizure of supplies and exploitation of factories in occupied territory.

13. Depots are placed in peace in areas suitable for projected operations.

PRISON

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Quartermaster General

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 7, 1941

to Secretary Morgenthau

FROM Mr. Kamarok

Subject: Summary of Military Reports, May 7

England

A new cruiser, Sirius, being completed at Portsmouth, was hit by a bomb on the night of May 3-4.

During the same night, a total of 270 German bombers operated over England. The Central Railway Station at Liverpool was forced to close temporarily. Production at the Vickers Armstrong Naval Construction Works at Barrow in Furness was seriously affected.

In the raid of May 4-5 on Belfast, the shipyards and the Shorts aircraft factory (probably building Short Sunderland flying boats) were damaged. (British Embassy, London telegrams, May 4, May 5)

Turkey

According to our Military Attache in Bulgaria, there are various indications (unspecified) that a Turkish-German agreement has been reached. The Turkish Military Attache in Sofia, however, is sure a stand will be made against Germany. (Sofia, M.A., May 5)

There are stories in Ankara that the Russo-Turkish frontier has been closed but these are denied.

The German consulate at Istanbul is reported to have acquired 40 additional "assistants" recently.

The Germans and the Turks are cooperating in rebuilding the bridges that were blown up by the Greeks on the Turkish frontier. (Ankara, M.A., May 5)

Iraq

Iraq forces have seized three towns on the pipe line to Haifa. At Basra the British have driven the Iraqi back from the airport, power station and docks. (London, M.A., May 4)

- 2 -

Division of Monetary
ResearchBalkans

German troops are reported to be moving northward through Romania. (We have had reports of movement northward through Budapest.) (Sofia, M.A., May 5)

The total number evacuated from Greece comes to 51,640. (This may include Greeks in addition to the 43,000 English reported a few days ago.) (British Embassy, London telegram, May 4)

Libya - Egypt

According to Vichy estimates, the axis has 11 divisions in Libya. Of these, two are German panzer divisions and one a German motorized division. (This is less than half the 23 divisions our Rome Military Attache reported.)

The axis is estimated to have 500 airplanes in Libya; 200 Italian, 300 German. (Vichy, Naval Attache, May 3)

British planes from Malta bombed an axis convoy; one destroyer was sunk, one damaged; one cargo boat was sunk and three damaged. (London, M.A., May 3)

BRITISH EMBASSY,
WASHINGTON, D. C.

May 6th, 1941.

Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your personal
and secret information a copy of the latest
report received from London on the military
situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated May 4th.

1. Naval. Home Waters. Night of May 3rd/4th. His Majesty's Cruiser "Sirius" (completing) hit by bomb at Portsmouth. Damage also done to dockyard.
2. North Atlantic. Italian ship (5,600 tons) with fuel oil for Brest intercepted 350 miles from North Azores and has sunk. French ship (3,500 tons) intercepted by Ocean boarding vessel on May 1st arrived at Gibraltar.
3. Attacks on Shipping. May 3rd. Two convoys bombed off East coast, one Norwegian ship (13,050 tons) being sunk and one (1,150 tons) damaged.
4. British ship (7,310 tons) independently inward bound reported being fired on by U-Boat 450 miles from west Iceland (G.).
5. Total numbers evacuated from Greece 51,640.
6. Royal Air Force. Night of May 2nd/3rd. 81 tons of H.E. (including 7 very large bombs) and 12,500 incendiaries dropped on industrial centre of Hamburg with good results in clear weather. Emden (16 tons) and Rotterdam petrol, harbour also attacked, fires started.
7. May 3rd. Blenheims obtained hits on 2,000 ton cargo ship (stern awash) 500 ton trawler (down by the bow) and 5,000 ton cargo ship (damaged) in Channel.
8. Night of May 3rd/4th. 144 aircraft despatched to attack Cologne industrial area (101) Brest (Scharnhorst and Gneisenau) (33) Rotterdam (9). All crews returned safely.
9. Libya. Night of May 1st/2nd. Wellingtons bombed Benghazi harbour and M.T. near Derna.
10. Iraq. On May 2nd and May 3rd. Wellingtons attacked Iraqi forces Habbaniya and bombed enemy positions. Landing grounds still in use by our aircraft.

-2-

11. Night of May 3rd, May 4th. 270 bombers operated. Our night fighters destroyed 12, probably destroyed another two, damaged two. One Spitfire destroyed.
12. Home Security. Night of May 2nd, 3rd. Casualties Liverpool, reported 60 killed, 121 seriously injured, Birkenhead 10 killed and 11 seriously injured.
13. Night of May 3rd/4th. Merseyside heavily attacked, Liverpool 150 aircraft, Portsmouth 15, Damage Liverpool and Bootle again severe, and fire situation at one time serious; Clarence Dock Power Station and Lister-Drive Power Station involved, details not yet available. Feared casualties heavy.
14. German Air Force. May 3rd. Enemy activity confined to patrols in the Straits. Enemy aircraft destroyed over Dungeness.

BRITISH EMBASSY,
WASHINGTON, D.C.

PERSONAL AND
SECRET

May 7th, 1941

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from London
on the military situation.

Believe me,

Dear Mr. Secretary

Very sincerely yours,

Halifax

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D.C.

Telegram received from London

dated May 5th, 1941.

- Naval. Parachute mine dropped in Waveney Dock Lowestoft night of May 3rd and 4th. Sank one M/S trawler and damaged an A/P trawler.
2. Gloucester on passage in Mediterranean was bombed and damaged April 4th (sic).
3. During air raid on Liverpool night of May 3rd/May 4th the "Adventure" minelayer slightly damaged, eight merchant ships sunk or burnt out and one damaged.
4. Two convoys on the East Coast night of May 4th/May 5th bombed without damage but South Down shot down one enemy aircraft.
5. Military. Libya. Counter attacks by our troops Tobruk on night of May 3rd/May 4th unsuccessful owing to the enemy's bold use of tanks, machine guns, flame throwers. Enemy casualties thought severe.
6. Dump of Royal Air Force bombs abandoned seven miles east of Sollum destroyed by our patrols during night of May 2nd/May 3rd.
7. Iraqi reinforcements which have reached Samawa on Euphrates by rail from the North likely to be used to attack our camp at Shaiba and Basra port area. Rashid Ali has informed His Majesty's Ambassador that if any Government building in Bagdad is bombed buildings in which British subjects are collected will be bombed.
8. Royal Air Force. Night of May 4th/May 5th. 97 aircraft sent to battle cruisers at Brest, ten to Havre and nine to Rotterdam and Antwerp. All returned safely.

-2-

9. Iraq. May 2nd. Aircraft from our flying training school carried out nearly 200 sorties - 16½ tons of bombs dropped on enemy gun emplacements, troops and transports around Habbaniya. We lost 2 aircraft in the air, 2 on the ground and others damaged on the ground.

10. During the night May 2nd/May 3rd Wellingtons attacked Baghdad aerodrome causing heavy damage to buildings and aircraft and in daylight attack May 4th destroyed 24 enemy aircraft on the ground; during these operations one enemy fighter shot down, 2 more unconfirmed.

11. German Air Force. Night of May 4th/May 5th. Estimated 220 aircraft operating mainly against Liverpool, Belfast and Barrow areas. About 15 others against shipping and 25 enemy night fighters over East Anglia. Preliminary reports indicate that our night fighters destroyed two, probably destroyed 3 and damaged 5 more; anti-aircraft shot down one.

12. Malta. Night of May 3rd/May 4th; during raid by about 40 aircraft considerable damage done to military and civilian property; one enemy aircraft shot down and another damaged by anti-aircraft fire.

13. Home Security. Night of May 3rd/May 4th; Liverpool. This raid heaviest yet on Merseyside. Central Post Office was burnt and there were many other large fires. At 8.00 p.m. on May 4th several were still visible. The Central Railway Station is temporarily closed, as well as several local lines on account of debris and unexploded bombs. Casualties at present 406 killed and 641 seriously wounded. Barrow in Furness

Production/

Regraded Unclassified

-3-

Production at one Vickers Armstrong Naval
Construction Works said to be seriously affected.

14. Night of May 4th/5th. Belfast; large
fires were caused in the city and damage occurred
in shipyards and at Shorts aircraft factory.

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Paraphrase of Code Cablegram
Received at the War Department
at 24:36, May 5, 1941.

Sofia, filed May 5, 1941.

I have it on trustworthy authority that the Germans are moving troops northward through Rumania and Budapest. The Military Attache of Turkey here again assures me that the Turks will stand firm against the passage through their country of the troops of any other state. In spite of that, however, there are various incidents which suggest an agreement with the Germans.

JADWIN

Distribution:

Secretary of War
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✓ Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence

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Memorandum of State Intelligence
Received at the War Department
at 9:03, May 9, 1941.

Athens, filed May 4, 1941.

Near Dimitria a railroad bridge was blown up by the Greeks during the German attack. Also two railroad bridges over the Maritsa River. The appearance of the bridges near Milos (Adrianople) indicates that the Turks helped in this, although they strongly deny having done so.

It is now agreed that the Germans will provide materials and the Turks will provide laborers for repairing the bridges. The Germans promise that they will make no use of the railroad line to bring either munitions of war or soldiers to Greek territory.

At present, freight is being sent by way of the Danube and Turkish freight is being given advanced priority. Stowies are going about regarding a closing of the Russo-Turkish frontier, but meet with vigorous denials. I have good reason to believe reports reaching me to-day that the Germans have taken Mytilene. About 40 additional assistants have joined the German consulate at Istanbul during recent weeks, according to reports.

ELMS

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Paraphrase of Code Radiogram
Received at the War Department
at 20:02, May 5, 1941.

Vichy, filed May 5, 1941.

Airplanes in Libya estimated as follows:- Italian 200;
German 300.

Axis troops in Libya estimated to be as follows:- German
Divisions - 2 Mechanized, 1 Motorized; Italian Divisions - 1
Mechanized, 2 Motorized, 5 Infantry including one Black Shirt
Division. Some sources set German Divisions at 2 Mechanized and
4 Infantry, but this is thought high here.

LEAHY

(Note:- Above estimates from Vichy are far below those of recent
date by H/A. Hane, who is believed to be a more accurate source for
information on this particular matter.)

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Enclosure of Code Sublogram
Received at the War Department
at 7:58, May 3, 1941.

London, filed 18:55, May 3, 1941.

1. British Air Activity over the Continent.

a. Daylight, May 2.

Two offensive sweeps were carried out along the coast of France by British fighter planes. An Axis merchant shipping off the coast of Holland was bombed by British medium bombardment planes. As a result, one Axis vessel was set on fire and a second one was sunk.

b. Night of May 1-2.

Five planes of the British Coastal Command carried out raids on the two 26,000-ton German battleships SCHARNHORST and GRUNDEBURG at the port of Brest. Adverse weather conditions caused the abandonment of all flights of planes of the Bomber Command.

2. German Air Activity over Britain.

a. Night of May 2-3.

Many widely separated places in the Midlands were subjected to German raids but the primary targets were again at Mersey River docks and Liverpool Bay.

b. Daylight, May 2.

A small number of German planes were plotted over North Ireland in the Belfast region and along the southern coast of Britain. Defensive patrols were maintained by the Germans along the French coast at Calais and over the Straits of Dover.

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3. Aircraft Losses in the British Theater.

a. British.

There are no reports of British aircraft losses.

b. German.

Night of May 2-3. One plane was shot down by anti-aircraft units and one was brought down by British night fighters.

4. British Air Activities in the Middle East.

a. Malta.

British planes based on Malta carried out a raid on an Axis convoy in the Mediterranean during which one Axis destroyer was damaged, one destroyer sunk, three cargo boats damaged and one cargo boat sunk.

b. Libya.

At Tobruk British fighter planes were over the city on patrol duty. British bombers carried out raids on Axis airfields and supply points at Acroma, Derna and Benghazi.

5. Axis Air Activities in the Middle East.

a. Malta.

A total of 35 German planes were used in one attack on the island and six other German planes took part in another raid. Only slight damage has been reported.

b. Libya.

German dive bombers cooperated with Infantry and tank units in an attack on Tobruk.

6. Aircraft Losses in the Middle East.

a. British.

There are no reports of British aircraft losses.

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CONFIDENTIAL

B. Axis.

One Axis plane taking part in the attack on Malta was shot down and six German planes were destroyed in Libya.

7. Iraqi Situation.

A small number of Iraqi airplanes attacked the Habbaniya airfield with machinegun fire and bombs. British bombers in Iraq carried out a raid on the Iraqi Artillery positions from which the Habbaniya airfield is being shelled.

END

Distribution:

Secretary of War
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Paraphrase of Code Cablinggram
Received at the War Department
at 08:12, May 4, 1941.

London, filed 14:20, May 4, 1941.

1. British Air Activity over the Continent.

a. Daylight, May 3.

Four fighter missions were performed over Occupied France, and bombers attacked and sunk one Axis freighter and one trawler. Another freighter was set on fire.

b. Night, May 2-3.

Hamburg was heavily bombed by a large number of planes, and lighter attacks took place over Emden and Rotterdam. Five Havocs attacked airfields in Occupied France.

2. German Air Activity over Britain.

a. Night, May 3-4.

Liverpool harbor and vicinity was again the principal target of German attack, other planes being active over London.

b. Daylight, May 3.

German air activity was on a reduced scale principally over the Thames Estuary, Cardiff and the coasts of Yorkshire, Dorset, Devon and Kent.

3. German Air Losses British Theater.

Night of May 3-4.

Night fighters shot down three German planes and damaged a fourth.

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4. British Air Activity Middle East Theater.

Motor transport in the vicinity of Derna was bombed by British planes as was also the harbor of Benghazi. Bombers and fighters attacked 100 motor vehicles in the vicinity of El Adem and destroyed thirteen. Many more were damaged.

5. German Air Activity Middle East Theater.

a. Libya. Daylight May 3.

Air operations were confined principally to air transport flights.

6. The following is British Military Intelligence information received to 07:00, May 4:

a. Libya, May 3.

British artillery broke up an Axis concentration of tanks and Infantry at Tobruk. Further extensive operations on a large scale are expected.

b. Iraq, Daylight, May 3.

The Iraq forces which have attacked Habbaniya airport are still in position on the height surrounding it and are shelling the British defenses. Casualties to the British are about 40 and two planes have been destroyed on the ground. The Iraq forces have seized Rutbah, Kirkuk and Baiji on the pipe line to Haifa. In the vicinity of Basrah the British have driven the Iraq forces back from

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the airport, the power station and the docks. British bombers have destroyed four pieces of Iraq artillery in the defense of Habbaniya.

LMB

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Assistant Chief of Staff, G-2
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CONFIDENTIAL.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 8, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

England

The Port of London is still operating though on a reduced scale. Out of thirty shipyards noted, one-third were serviceable. Warehouses had been damaged by fire. There were no sunken ships to be seen.

From a tour of the East End of London, the most outstanding impression received was the absolute refusal of the laboring population to be discouraged or terrified. (London, Military Attache, May 5)

Greenland

The Germans are concentrating troops and ships at Kirkenes in northernmost Norway. This may be for an invasion of Greenland (or Russia). (Helsinki, Military Attache, May 6)

Spain

The French believe an attack on Gibraltar is impending. A trainload of German "tourists" with anti-aircraft guns and spare parts for Stukas has recently entered Spain from France. (Vichy, Naval Attache, April 26)

According to the Spanish Military Attache in London, Spain could offer no effective resistance to passage of the Germans if they wish to move through Spain. He believes the Germans could reach Gibraltar in 48 hours from France and shortly thereafter close the Straits to ships by artillery fire. (London, Military Attache, May 5)

Russia

On April 27, 2,500 German soldiers, two armored cars, tractors, motorcycles and motor vehicles landed in Finland. (The Finns state that only 1,500 unarmed German soldiers landed in transit across Finland.)

- 2 -

Division of Monetary
Research

Finnish military authorities anticipate a German-Russian clash. Other sources doubt the sincerity of the German promise to assist Finland against Russia. (Helsinki, Military Attache, May 6)

Military circles in Romania believe that the next German move after the Turkish question is settled will be in Spain or against Russia. The indications are that it will be against Russia.

The German military base was established in Romania primarily against the Soviet Union as the Germans, until recently, did not believe they would have to fight in the Balkans. The scale of German preparations in Romania can only be directed against Russia: there are twelve divisions in Moldavia alone.

According to the French Air Attache in Bucharest, the Poles have been offered an independent Poland if they will cooperate in a war against Russia. Finland and Sweden will cooperate.

The main attack, it is believed, will be along the line Warsaw-Moscow, secondary attacks through the Baltic against Leningrad and from Romania towards Odessa.

The earliest date mentioned for the attack is May 15. Our military attache, however, believes this to be too early. (Bucharest, Military Attache, April 25)

Turkey

An important Turk stated that Turkey is directing her efforts to preserve herself from partition between Germany and Russia. The English have lost considerable prestige and acquired the reputation of being lavish in promises but stingy in help.

A well-informed Englishman in Ankara states that he has little hope that Turkey will take part in hostilities. The German conquest of the Greek islands leaves only three ports available to the British in Turkey and these have relatively small facilities for shipping. (Ankara, Military Attache, May 3)

Syria

According to a French official, there are only 25,000 soldiers (white and colonial) in Syria with a limited supply of munitions. (Ankara, Military Attache, May 3)

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Paraphrase of Code Cablesgram
Received at the War Department
at 09:19, May 5, 1941.

London, filed May 5, 1941.

1. In conversation with Colonel Barra, Spanish Military Attache here, I was informed that Spain has no interest in entering the war but has not enough armed force to oppose the passage of Germans if and when they elect to move through the country. Colonel Barra is an ex-Artillery officer with Military Intelligence experience. He is of the opinion that the Germans could reach Gibraltar with artillery from their present concentrations in the region of the Pyrenees in 48 hours by road. Within a short time thereafter they could deny the passage through the Straits by employing mobile medium artillery from gun positions other than Gibraltar.

2. On May 3d I made a tour of inspection through the East End of London which had again suffered severe damage in the recent heavy air raids. Thousands of homes of laboring class families have been ruined and other thousands will require repair before they can be used as living quarters. The most outstanding impression one received is the absolute refusal of the East End laboring population to be discouraged or terrified. The only exception to this is that a majority of Jewish shops have been evacuated from Stepney. I talked with an Air Raids Prevention Controller who is a Scotch Presbyterian Minister with an East End pastorate. He denied that there was any evidence of subversive or defeatist activity in this district where it would naturally be expected. He said that any

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agitators that might have existed at the beginning of the war have either been run out or have changed their views in the course of air raids and bombing.

3. In the course of a tour of the dock area, it was noted that out of thirty shipyards one-third were serviceable and from them large freighters were unloading. One of these was a wheat ship which was discharging into elevators which had not been damaged. There were two laden with American steel. Much damage by fire had been done among warehouses but there were no sunken ships to be seen and it is evident that the Port of London is still operating although on a reduced scale.

LHM

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence
G-3
G-4

-3-

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**Paraphrase of Code Radiogram and Cablegram
Received at the War Department at 19:17,
April 26, 1941, and 9:24, April 26, 1941,
Respectively**

**Vichy, filed April 25, 1941.
Vichy, filed April 26, 1941.**

**French opinion holds that attack on Gibraltar, with Spanish
aid in Peninsula and in Spanish Morocco, is impending. From official
source we are informed that a trainload of "tourists," with certain
amount of Antiaircraft Artillery and Stuka spare parts, entered Spain
from Hendaye recently.**

IMAY

Distribution:

**Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence**

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91

Paraphrase of Code Radiogram
Received at the War Department
at 10:14, May 6, 1941.

Helsinki, filed 14:48, May 6, 1941.

Three special daily trains transported German troops and supplies to railheads from landing ports. On April 27th, 5 German ships discharged 2800 troops, two armored cars, tractors, 60 motorcycles, motor vehicles. Finnish military authorities anticipate German-Russian clash soon. Concentrations of German troops and vessels at Kirkenes can be directed against Greenland. Other sources doubt sincerity of German promise to assist Finland.

REFUTATION

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence

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Paraphrase of Code Cablesgram
Received at the War Department
at 15:22, April 25, 1941

Bucharest, filed April 24, 1941.

Having settled the Turkish question either diplomatically or by military measures, the next move by Germany will be in Spain or against Russia. Indications here continue that it will be against Russia. I am still of the opinion that the German military base was established in Rumania primarily against the Soviet Union as the Germans until recently did not believe that it would be necessary for them to fight in the Balkans. At present there are 12 German divisions in Moldavia. Preparations on such a scale can be directed only against Russia. The movement of German troops into Rumania continues and Rumanian units are being shifted to the east. Now playing a lone hand, I have lost count temporarily of the number of German divisions in Rumania proper.

Military thought in Bucharest believes the German operations will be as follows: (1) Main effort direction Warsaw-Moscow; (2) move through the Baltic against Leningrad; and (3) from Rumania towards Odessa. Finland and Sweden will cooperate. A Swedish Military Attaché has been appointed for the first time to Bucharest. While the German army moves across them, Slovakia, Hungary and Rumania will defend their respective frontiers. The French Air Attaché has reports that the Poles have been offered a small independent Poland if they will cooperate against Russia.

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The earliest date mentioned here for the opening of this campaign is May 15th. To me this appears much too early. I believe that before an attack will be launched most of the German attack divisions will be brought to Rumania from Greece and Yugoslavia, unless of course Germany has some as yet undisclosed employment for her forces in the eastern Mediterranean.

RATAY

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence

-2-

CONFIDENTIAL

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 9, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Crete

British Military Intelligence is of the opinion that an attack on Crete may be expected at any moment. (London, Military Attache, May 3)

Syria

The axis mission in Syria is reported to be preparing an airfield for large scale use, presumably for air-borne German troops. The French commander in Syria intends to resist attack but the morale of his soldiers is low. (Total force, 25,000 with limited munitions) (London, Military Attache, May 3)

Russia

According to a well-informed German officer in Moscow, the German diplomatic and military moves regarding the Soviet Union are all bluffs. The purpose appears to be to hold Soviet troops stationary and to force future concessions to Germany. (Moscow, Military Attache, May 6)

German and Romanian troops are concentrating on the Russian frontier. Unofficially, it is reported that there are 18 German and 14 Romanian divisions in Moldavia (600,000 men). Maps of Bessarabia and southern Russia have been issued to the Romanian troops. All factory equipment is being evacuated from the border areas. The oil town of Buzau is being guarded by 200 German planes. The Romanians have refused to permit the American military attache to visit Moldavia and Constantza (seaport where concentrations of German troops and shipping have been reported.)

The Russians are likewise evacuating all supplies from south Bessarabia according to refugees. (Bucharest, Military Attache, May 6)

- 2 -

Division of Monetary
Research

According to an excellent source, two German panzer divisions are moving through Vienna towards Poland. (Berlin, Military Attache, May 7)

(Comment: We have received reports now from every capital on the western border of Russia - Bucharest, Budapest, Berlin, Helsinki - telling of German preparations against Russia. The only counter reports have been from axis sources in Moscow - that the preparations constitute a bluff and a lone report from our Budapest attache that he does not believe there will be an attack soon.

It might be possible to dismiss the opinions of the axis representatives in Moscow as a part of the plan designed to lull Russia off guard. In my personal opinion, it is not likely that Germany will invade Russia now. The invasion may come later and the present maneuvers can, therefore, be regarded as equivalent to the two German rehearsals against Belgium and Holland in November 1939 and January 1940.

There are two reasons why an attack on Russia is not an immediate possibility. The first is that there has been no propaganda campaign of preparation. The propaganda-wise Third Reich did not attack even Yugoslavia without such a psychological preparation. The second reason is that the Germans have been consciously attempting to avoid their mistakes in the last war - one of the most important of which was a war on two fronts. It is possible that they will duplicate this mistake.

The most likely explanation for the German preparations against Russia are that Hitler is attempting to frighten Russia and to force her to abandon her recent policy of opposition - the Yugoslav Pact, banning the shipment of arms to Japan. It is possible that Germany may over-estimate Russia's fear of war and a war may still develop.)

Yugoslav-Greek Campaign

London estimates the Germans used 1,050 combat and 450 transport planes in the Balkan campaign. 100 planes were destroyed or damaged in aerial combat. One-half of the air forces were probably unserviceable at the end of the campaign.

The Germans had 65 divisions (over 1,000,000 men) in the Balkans and used 32. Casualties inflicted by the British alone probably totalled 25,000.

- 3 -

Division of Monetary
Research

If the German troops now being transported out of the Balkans are to be used for an invasion of England, they will not be ready for six to eight weeks.

Hitler probably minimized the casualties in the Balkans because of the apathy of the German home population towards the continuous military campaigns, each time in more distant areas. (London, Military Attache, May 7)

The Italians, likewise, believe that the reported German losses are lower than the facts justify. (Rome, Military Attache, May 6)

SECRET 97

By authority A. G. of S., G-2
Date MAY 8 1941 (initials)
Initials

Paraphrase of Code Cables
Received at the War Department
at 7:38, May 3, 1941.

London, filed 15:10, May 3, 1941.

1. **SYRIA.**

From sources considered authoritative information has been received that the present Government has asked for aid from the Axis. It is also reliably reported that the Axis mission in Syria is preparing an airfield there presumably for early large scale use, which British Military Intelligence is of the opinion will be for air-borne German troops. The Commander of the French forces in Syria says that any Axis attack will be resisted but the morale of his troops is considered low.

2. **GREECE.**

British Military Intelligence was, as of this morning, of the opinion that an attack on Greece may be expected at any moment.

3. **LIBYA.**

Up to 15:00, May 24, the Outer Defense Lines had been penetrated by 60 German tanks, of which three had been destroyed by Molotov cocktails, four by British tank attack, and four by mines. British lost by enemy action, four cruiser and 3 Infantry tanks, 3 Infantry tanks were lost by mechanical failure. Artillery fire was successful during the day of May 2 in breaking up an attack by 30 German medium tanks and two companies of Infantry.

4. British Military Intelligence expects that the German operations in Libya will soon be on an increased scale. Reinforcements in men and

SECRET

SECRET

equipment are being hurriedly transported to Eastern Libya by air and the 13th Amedeo Division is being moved into the forward areas.

3. The number of troop-carrying aircraft in the advance areas of Libya have been increased and it is now thought that 3,000 or 4,000 troops, of which 2,000 or 3,000 would be combat troops and the rest air ground personnel, could be transported.

122

Distribution:

Secretary of War
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Under Secretary of War
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Assistant Chief of Staff, G-2
War Plans Division
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G-3

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Paraphrase of Code Cablegram
Received at the War Department
at 12:29, May 7, 1941.

London, filed 12:00, May 7, 1941.

1. The following is submitted in answer to your request for information in regard to German losses and troops engaged in the Balkan Campaign. Air authorities have estimate that the German strength in planes during the campaign was about 1,000 combat and 450 transport. Of these they claim that 100 were destroyed or damaged exclusive of those lost by reason of fire from ground troops. They estimate that one-half of German air forces were unserviceable by the end of the operation.

2. Their estimate of casualties among German troops covers only those caused by British troops. This figure they place at 25,000. Although they admit that it is impossible to verify because of the constant retirement to successive positions. In spite of newspaper reports of extremely severe casualties among the Germans, I believe this figure should be reasonable.

3. It is the opinion here that German casualties were minimized by Hitler because of the apathy of German public opinion toward continuous military campaigns, each time in more distant areas. Everyone with whom I have talked who has returned from Germany has spoken of this apathy.

4. There is evidence that the surplus troops used in the Greek campaign are being evacuated westward for employment in the next operations - possibly in an invasion of England or possibly passage through Spain. If the objective is an invasion of the United Kingdom,

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100

it would require a preparation period of a month and a half to eight weeks.

5. Reports on these operations which have been received through the period covered by them and from all sources indicate that there were available to the Germans throughout the whole area of the Balkans a minimum of 85 divisions. About 23 of these were actively employed.

6. The only positive identifications made by the British as facing their units in combat are as follows: Armored divisions; the Second, Fifth and Ninth. Mountain divisions; the Sixth and possibly the Fifth. There were in addition facing them the Adolph Hitler SS Division and an Infantry Division not identified.

LHM

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Assistant Chief of Staff, G-3
Air Corps

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Paraphrase of Code Cablegram
Received at the War Department
at 8:00, May 7, 1941

Moscow, filed May 6, 1941.

German diplomatic and military moves re U.S.S.R.
at this time are all bluffs according to a statement of a
well-informed German colleague. The purpose appears to be to
force future concessions to Germany and hold Soviet troops
stationary.

YEATON

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
War Plans Division
Office of Naval Intelligence

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Paraphrase of Code Calligram
Received at the War Department
at 9:32, May 7, 1941

Bucharest, filed May 6, 1941.

1. German troops have been moving from Bulgaria through Bessarabia toward East Russia during the past few days. The Russian General Staff has categorically refused permission to the military attaché to visit Moldavia and Constantine.

2. Unofficial sources report 18 German and 14 Russian divisions and several hundred German planes are now in Moldavia. There are said to be 200 German planes of the latest type in Russia. Maps of Bessarabia and southern Russia have been issued to Russian troops. All machinery and other factory equipment have been ordered evacuated from Galatz, Braila, Iassy and Ruzi. Refugees say the Russians are evacuating south Bessarabia and are taking everything from rails to deer handles.

RATY

Distribution:

Secretary of War
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Assistant Chief of Staff, G-2
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103

Paraphrase of Code Radiogram
Received at the War Department
at 10:16, May 7, 1941.

Berlin, filed May 7, 1941.

Italian troops have occupied the islands of Amorgos, Anaphi,
Ios, Thera, Naxos, Paros.

One purpose of these occupations is to secure the use of the
commercial water route from Trieste to the Black Sea.

I have learned from a source which I consider is excellent that
two German armored divisions are moving through Vienna in the
direction of Poland.

PEYTON

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Secretary of War
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104

**Paraphrase of Code Cablesgram
Received at the War Department
at 16:35, May 6, 1941.**

memo, filed May 6, 1941.

In reply to your telegram numbered 477. The statements made by Herr Hitler in his recent speech with regard to the German troops used in the Balkan campaign correspond closely to reports previously made here. It is generally held here, however, that the German losses, as reported, are lower than the facts justify.

FINCH

Distribution:

**Secretary of War
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Assistant Chief of Staff, G-3
War Plans Division
Office of Naval Intelligence**

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 9, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Weekly Military Report: Relative Strengths in the Middle East

Summary

The British probably have at least 200,000 men in Egypt and Crete, with a total of almost 500,000 in the Middle East, according to Churchill. There are various estimates of the axis land strength from 120,000, by our Cairo Attache on April 25, to 460,000 by our Rome Attache. The most likely figure is 150,000 to 200,000 men.

We have no complete information on the total tank strength of the two sides. The axis has at least 600 tanks, while the British probably do not have more than 250.

The British now have around 250 airplanes in Egypt and Crete, with an additional 200 at Takoradi, mostly unassembled. The axis appears to have 400-500 planes in Libya with another 1,000 planes elsewhere in the Middle East and an additional 1,600 to be made available.

I. Land ForcesA. British

Churchill announced that the British have almost 500,000 men in the Middle East. In the middle of April, the British had 50,000 men in Egypt and Libya. Since then, four troop convoys have arrived and possibly a fifth. These convoys have probably brought in at least 100,000 men. 50,000 soldiers were evacuated from Greece.

The minimum number of troops in Egypt and Crete would be, therefore, 200,000 men, not all of whom are available for immediate duty. The garrisons in Palestine, Sudan, Aden and other Arabian ports, the fighting forces in Italian East Africa and Iraq, altogether should total over 100,000 men. This leaves 150,000 to 200,000 men unaccounted for.

- 2 -

Division of Monetary
Research

While there have been no recent figures on the total British tank strength, it is not likely that the British would have more than 250 tanks in Egypt. As late as three weeks ago the British had only around 50 tanks in the western desert.

B. Axis

The estimates of the strength of the axis land forces in north Africa vary widely. The lowest was that of our Military Attache at Cairo on April 25, based on British sources, which put the figure at 6 divisions or 110,000 to 120,000 men. The highest was that of our Rome Attache who stated that there were 23 divisions in north Africa or 460,000 men. The most likely figure is 150,000 to 200,000 men.

In any case, the lowest estimate of the axis tank force in north Africa is 600 tanks. If the Italian source of six panzer divisions is correct, there would be around 2,000 axis tanks in Libya which seems to me to be somewhat fantastic at the present time.

Axis Land Forces in North Africa
(According to different sources)

	Rome (May 2)	Berlin (May 6)	Vichy (May 3)	Cairo (April 25)
<u>German divisions</u>				
Panzer	5	4	2	2
Motorized	2	4	1	
Infantry	<u>1</u>	<u>4</u>	-	-
Total	8	12	3	2
<u>Italian divisions</u>				
Panzer	1			4
Motorized	2			
Infantry	<u>12</u>	-	-	-
Total	<u>15</u>	8	8	4
Grand Total	23	20	11	6
Grand Total - Men	460,000	400,000	220,000	120,000

II. Air ForcesA. British

A Western Desert Air Command under Air Marshal Tedder is being organized. This will comprise eventually a fighter wing (about 200 planes), a bombardment wing (about 100 planes) and an army cooperation squadron (perhaps 150 planes).

On April 25, the British had only slightly more than 200 airplanes in Egypt and Cyprus. (The total now would probably be around 250). In the whole Middle East the British had, on April 25, 695 airplanes. 215 of the total were still at Takoradi, mostly awaiting assembly. Another 217 were thoroughly obsolete (eight years old and older) and can only be used against Iraqis and similar opposition. Approximately 60 airplanes were located in Malta.

The Royal Air Force plans to put a squadron of Curtiss Tomahawks in action on May 10. The Royal Air Force in Egypt now has about 50 Tomahawks and 15 Tomahawks are expected to arrive in Egypt every week from Takoradi. The generator correction to the Tomahawks suggested by Washington appears to be working out very well.

The Glenn Martin Maryland bombers have been operating efficiently on scouting and bombing missions for a number of weeks.

Distribution of Royal Air Force in
Middle East on April 25

Egypt and CreteFighters

Hurricanes
Tomahawks

43
20

Total Fighters

63

Bombers

Blenheims (also used as
fighters)
Wellingtons
Martins

55
70
16

Total Bombers

141

Total - Egypt and Crete

204

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Division of Monetary
ResearchMaltaFighters

Hurricanes 29

Bombers

Wellesleys 11

Martins 5

Total bombers 16

Miscellaneous -Sunderlands, Valentines,
etc. 14

Total Malta 59

Aden, Iraq & SudanMiscellaneous Obsolete
planes (Vincents, Harts,
Gauntlets) 217TakoradiFighters

Tomahawks - total 148

(Unassembled 142)

Hurricanes - total 20

(Unassembled 19)

Total Fighters 168
(Unassembled - 161)Bombers

Blenheims - total 28

(Unassembled 21)

Martins - total 19

(Unassembled 18)

Total Bombers 47
(Total unassembled - 39)

Total Takoradi 215

Grand Total - All Middle East 695

- 5 -

Division of Monetary
ResearchB. Axis Air Forces

We have had various reports on the axis air forces in the Middle East. While the range of estimates is fairly wide, there is some agreement among them. In Libya, around May 1 the axis had 400 to 500 combat airplanes, not including 100-200 troop transports. About half of these airplanes are German.

The German airplanes in Libya are apparently a part of the Sixth Air Fleet operating in the Mediterranean and totalling 1,600 airplanes (600 pursuit, 400 Stukas, 600 other bombers). This information coming from our Military Attache in Berlin agrees, in the main, with the estimates at Cairo. According to Rome and Berlin, however, the Fourth Air Fleet, which operated in the Balkans, will also soon be made available for action in the Middle East.

The maximum air strength that the axis will dispose of in the Middle East, according to these reports, will be over 3,000 airplanes. However, it is doubtful whether anything like this number can actually be brought to bear on any one front in view of the number of air bases that would be required.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 12, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

England

During the German attacks on Belfast the night of May 4th, the HMS Furious (aircraft carrier) was damaged.

On the night of May 5-6, 440 German planes attacked England. 390 of these were heavy bombers carrying 1-1/4 tons of bombs each.

Turkey-Russia

There is a report from official Romanian sources that German troops will enter Turkey, with her consent, on about May 10th. The troops will penetrate to the Iraq oil fields and to points south and north of the Caspian Sea. As a result, the action (war?) between Russia and Germany should occur in June at the latest. (Bucharest, Military Attache, May 8)

The German army concentrations on the western Russian frontier still exist. The Germans now have the following troops in areas adjacent to Russia:

Divisions

Finland	5
East Prussia	20
Posen area	20
South Poland	24
Slovakia	10
Moldav	<u>12</u>
Total	91 Divisions (1,800,000 men)

(This report, if accurate, represents a slight decrease in the German concentrations except in the case of Finland. The preceding report showed 3 divisions in Finland.)

- 2 -

Division of Monetary
Research

Troops were embarked at Konigsberg on April 30th for an unknown destination (Finland?). A Seventh Air Fleet, it is reported but unconfirmed, is being formed in the Baltic Sea district. Troops are being withdrawn from Yugoslavia and sent north and northeast. (Berlin, Military Attache, May 6)

Libya-Egypt

British do not intend holding against major attack any positions west of Mersa Matruh. (Cairo, Military Attache, May 4)

Seventy-eight air fields now exist between Alexandria and Mersa Matruh, others are being made ready.

Shipping between Italy and Tripoli is being attacked by air, sea and submarine. Attacks on Tripoli have been only slightly successful in destroying port facilities.

The British fleet at Alexandria is now unbalanced and with an excess of heavy ships over light. This is due to the fact that the recent loss of three destroyers (in the evacuation) has not been made good. The Fleet Air Arm is also below strength because of modifications being made to airplane engines and the necessity for the installation of arrester hooks on the Brewsters. (Cairo, Military Attache)

Spain

According to Belgian airmen, the Belgian consul at Vigo, Spain, states that there are two divisions of Germans not in uniform along the north Spanish coast. The Germans have submarine bases in the Spanish ports of Pontavedra (just north of Portugal) Gijon and San Sebastian (both on the Bay of Biscay). Small German submarines are being carried out to sea in Spanish ships. (Lisbon, Military Attache, May 8)

Germany

The Germans have been testing tank-carrying airplanes and 12-seater and 25-seater towed gliders.

- 3 -

Division of Monetary
ResearchBalkan Campaign

Our Sofia and Bucharest attaches believe Hitler's figures on troops used and casualties in the Balkan campaign are correct. (Bucharest, Sofia, Military Attache, May 8)

An important part in the campaign was played by the S.S. Regiment Adolf Hitler. These are picked Nazis, well trained and well fed. Use of the drug Pervitin probably accounts for the astonishing endurance of these men. German aviators are definitely known to take this drug in tablet form. (Bucharest, Military Attache, May 8)

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Summary of Gale Schlesinger
Received at the War Department
at 10:30, May 7, 1941.

London, filed 10:00, May 7, 1941.

1. British Air Activity over the Continent.

2. Day of May 6.

Operations consisted mainly of offensive patrols against shipping along the Belgian and Dutch coasts.

3. Night of May 5-6.

One hundred fifty heavy bombers attacked Eindhoven and several small groups made attacks on Frankfurt, Calais, Boulogne, Cherbourg, and Dunkirk. Twenty bombers from the Coastal Command operated against enemy shipping and the ports of Stovanger and St. Nazaire and the submarine base at Brest.

2. German Air Activity over Britain.

1. Night of May 6-7.

Once again the German attacks were on a large scale and struck principally at Harborside and Clyde-side with very small attacks on East Anglia and east coastal towns.

2. Night of May 5-6.

In all, 440 German planes attacked Britain. Three hundred ninety of these were long range bombers each of which it is estimated carried one and one-fourth tons of bombs (including incendiary).

3. Night of May 4-5.

During the attacks on Britain this night, German planes damaged HMS FURIOUS at Belfast.

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3. Aircraft Losses British Theater.**2. British.**

In all of the air operations during the night of May 3-4 no British aircraft were lost.

1. German.

Two German planes were destroyed and one damaged by R.A.F. planes operating over the Channel. The latest figures on German plane losses on the night of May 3-4 are 8 destroyed and 1 damaged by night fighters, and 1 destroyed, 1 probable by antiaircraft.

4. British Air Activity Other Theaters.**2. Egyptian Theater.**

British planes based in Egypt attacked Bengasi harbor and airbases at Derna, Barce, Gassala and Benina. At Benina at least 5 Axis planes were destroyed on the ground. Asha Alagi was also bombed and ammunition dumps blown up.

1. Iraqi Theater.

British planes continued their attacks on Iraqi guns, troops and planes.

3. Axis Air Activity Other Theaters.

Thirty-six German planes bombed Lagan airbase on Malta. Sixteen German planes staged a dive bombing attack on British ships in Suda Bay, Crete. One British vessel was struck and beached.

6. Aircraft Losses.**2. British.**

No reports have been received concerning British losses.

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B. Axis.

In the attack on Malta 1 German plane was destroyed and in the attack on Crete 2 others were destroyed and 3 damaged.

7. Military Activities-

During the night of May 4-5, British patrols operated from Sollum to Elfeiga but discovered no enemy troops.

In Abyssinia, the British troops staged a successful attack on Uadega (approximately 40 miles north of Hargeisa).

Iraqi troops have left the plateau south of Habbaniya and the situation around Basra is without activity. British reinforcements have reached Fao.

8. Naval Activities-

A British submarine attacked and sank 3 Axis vessels off Barbados Island. A British hospital ship HESPERIA was bombed and set afire by German planes at Tobruk. Little damage was inflicted however.

II

The following is a summary of British Military Intelligence information to 7:00 A.M., May 7:

Little activity in the vicinity around Tobruk with the exception of 1 small air assault by German planes.

III

Distributions:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2

War Plans Division
Office of Naval Intelligence
Air Corps
G-3

-3-

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Paraphrase of Code Cablegram
Received at the War Department
at 13:51, May 8, 1941

Bucharest, filed May 8, 1941.

I am unable to verify a report from an official source which states that German troops will enter Turkey, with her consent, on about May 10th. The troops will penetrate to the Iraq oil fields and to points south and north of the Caspian Sea. As a result the action between Russia and Germany should occur in June at the latest.

RATAY

Distribution:

Secretary of War
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Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence

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117

Paraphrase of Code Radiogram
Received at the War Department
at 22:20, May 6, 1941.

Berlin, filed May 6, 1941.

Movement of German troops from Yugoslavia toward the north and northeast. Troops were embarked at Hamburg April 30, destination unknown. An unconfirmed report indicates a 7th Air Fleet composed of land and sea planes is being formed in the Baltic Sea district. There are in Finland 5 German divisions, East Prussia 20, Lublin 12, South Poland 24, Slovakia, 10, Posen area 20, Malmoe 12 and increasing.

FINISH

Distribution

Secretary of War
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Under Secretary of War
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Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence

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SECRET 118

By authority A. C. of S., G-2

Date MAY 9 1941 (BPH)
Initials

Paraphrase of Code Cables
Received at the War Department
at 9:33, May 7, 1941.

Cairo, filed May 4, 1941.

1. In answer to your inquiry of April 30 in regard to airfields and British intentions, please be advised that I am sending the maps you requested.

2. The British do not intend to hold against major attack any positions west of Hura Marsh.

3. I can make arrangements to forward secret communications by air mail by placing them in the hands of a ship captain bound for Singapore who will give them to Captain of the Pan-American Clipper at that point provided arrangements can be made at your end with Pan-American. Please let me know if you desire this to be done.

4. In the following information concerning airfields, I can send by cable the coordinates of all sites if you wish.

5. Airfields between Hura Marsh and Alamein.

There exist at present 38 fields now ready for operation, the most important of which are at Quesha, Matruh, Fala, and Fala South. Centering on a point 40 miles south of Fala there is a group of six fields. At El Daba and in a circle within 20 miles of that point are five others. At Burg el Arab and within 20 miles are 10 fields and seven are being made ready centering about a point 30 miles southeast.

6. Airfields between Alamein and Sidi Barrani.

Seventy-eight airfields exist capable of being used by

SECRET

SECRET

Fighters (at least 1,000 by 1,000 yards, a portion having corner markings). Other fields are being made ready in the area around Wadi el Matruh. There is an excellent field at Sidi Barrani with three auxiliary fields nearby. Other good fields are at Marsa Matruh with three others 20 miles to the east and three at equal intervals between Marsa Matruh and Sidi Barrani.

YELLES

Distribution

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
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War Plans Division
Office of Naval Intelligence
Air Corps
Assistant Chief of Staff, G-3

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By authority A. C. of S., G-2

Date **MAY 10 1941**Initials **Re**

Paraphrase of Code Cablesgram
Received at the War Department
at 18:17, May 8, 1941.

Cairo, filed May 7, 1941.

The following information gained from Teller in regard to the naval situation in Eastern Mediterranean should be brought to the attention of our Navy.

1. Shipping between Italy and Tripoli is being attacked by air, sea and submarine in an attempt to embarrass supplies. Attacks on Tripoli have been only slightly successful in destroying port facilities.

2. In replacing naval losses, the British cruiser **PRINCE** (5,450 tons) has joined the Fleet. The three destroyers which were sunk however have not been replaced.

3. The Fleet is now unbalanced by reason of the excess of heavy forces over light. This condition results in the light forces being overworked. The Fleet Air Arm is also below fighter strength on account of modifications to engines and the installation of arrester hooks for Brewsters.

TELLER**Distribution:**

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Assistant Chief of Staff, G-3

SECRET

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Paraphrase of Code Cables
Received at the War Department
at 18:11, May 8, 1941

Listen, filed May 8, 1941.

It is learned from a number of Belgian airmen who
break out of concentration camp that: - Belgian Consul at Vigo
states equivalent of two divisions of Germans not in uniform
is along north Spanish coast between El Ferrol and San Sebastian;
Germans have submarine bases in Spanish ports of Ferrol, Oporto,
Gijon, and San Sebastian; small German submarines are being
carried out to sea in Spanish ships.

CASH

Distributions:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Coordinating Section

CONFIDENTIAL

CONFIDENTIAL.

Paraphrase of Code Cablegram
Received at the War Department
at 20:46, May 8, 1941

Bern, filed May 8, 1941.

Swiss General Staff informs as follows: - Tests being made of use of 4-motored Junkers planes for carrying light tanks; in April, trials of new 4-motored transport airplane with twin fuselage (machine thought to be FOCKE-WULF) were completed at Schwerin; at Neuhaus and Brunswick, Germans have been testing 12-seater and 25-seater towed gliders.

LEGG

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Chief of Air Corps

CONFIDENTIAL.

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Paragraph of Code Subgroup
Received at the War Department
at 9:11, May 8, 1941.

Bucharest, filed May 7, 1941.

It is my opinion that Hitler's statements as to the German forces engaged in the Balkan campaign, and the losses incurred by their troops are correct. However, I do not believe that Hitler included in his figures the four or five German divisions stationed in Bulgaria and which were earmarked for operations against Turkey, in case such action became necessary. Several days before Hitler's speech, unusually well informed people in Bucharest learned that the German casualties in this campaign amounted to only about 1000 killed. There was naturally much astonishment and discussion about this figure.

The low casualties appear almost unbelievable, but German officers at Bucharest point out that, with the air force bombing the rear columns, and with armored and specialist units constantly pushing forward, surprising the enemy now here, now there, the mass of the German infantry and artillery never caught up and was engaged solely in mopping up operations.

A very important part was played in the Balkan campaign by the "Specialist Troops", the S. S. Regiment ADOLF HITLER. This unit is evidently the "one half division" mentioned in Hitler's speech. The men of this unit are especially picked party members, imbued with National Socialism, well trained, and fed and medically cared for in the same way as American football players. It is maintained in some circles here that this unit possesses many secret weapons. It is my belief that the drag

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PERVITIN (PERNIT-25-25000000-250000) probably served in coffee, accounts for the astonishing endurance of these men. I have conclusively that German soldiers take this drug, though in their case, in tablet form.

END

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
CJ
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Paraphrase of Code Cabling
Received at the War Department
at 14:07, May 8, 1941

Sofia, filed 19:00, May 8, 1941.

This cable in answer to cable #14 this office which requested opinion on Hitler's speech of May 4, an estimate of German troops employed in Balkans and an estimate of German losses. It is the opinion of our Attache, his colleagues and others that speech was propaganda and that figures for campaign close to correct. Seven or eight German divisions were employed against Greeks and British. One estimate of German killed and wounded is 25,000 based on information considered reliable which was obtained from colleagues, a number of doctors and a German General.

JAWIN

Distributions:

Secretary of War
State Department
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Under Secretary of War
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Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Coordinating Section

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 13, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Greenland, Iceland, Spitzbergen

The Germans may be preparing an invasion of Greenland, Iceland or Spitzbergen. According to the Norwegian Minister in London, three German crack divisions are concentrated in the Kirkenes-Tromsøe area of north Norway and transports have been observed off the coast. (London, Military Attache, May 9)

England

The German attacks on the night of the 7th and 8th severely damaged two destroyers and slightly damaged two more.

359 bombers were sent out by the Royal Air Force on the night of the 8th and 9th. Of these, 316 bombed Hamburg. (This was the night that the British announced that their heaviest attack of the war was delivered on Hamburg.)

On the same night, the Germans had 230 bombers over England. (The highest number of German bombers which I have seen reported as being used against England is 440. In other words, England appears to be coming closer to equality with Germany.) (London, British Embassy, May 9)

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Division of Monetary
ResearchGerman Air Force
Distribution on May 3, 1941

	Planes	Transports
Holland, Belgium and France	2,193	150
Germany	493	600
Norway and Denmark	<u>243</u>	<u>50</u>
Total Western Front	2,929	800
Balkans, Southeast Germany and Aegean	1,080	450
Africa and Central Mediterranean	<u>411</u>	<u>250</u>
Total Mediterranean Front	1,491	700
Grand Total	4,420	1,500

(Unaccounted for - the planes in Poland)

(London, Military Attache, May 10, 1941)

Balkans

The Bulgarian railroads are being used to the utmost in the transportation of German material northward and in the direction of the Black Sea.

On May 3, the Germans had 7 or 8 divisions on the Turkish-Bulgarian frontier. The Bulgarians had 10 divisions here and 4 in Thrace and Macedonia. (Sofie, May 9)

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Perceptions of Code Collection
Received at the War Department
at 0:05, May 9, 1941.

London, filed 14:30, May 9, 1941.

1. MAIN GERM

1. British Air Activity over the Continent.

a. Daylight, May 8.

Seaboard traffic off the Norwegian coast was the target for British bombers. A hit on one ship was observed. Fighter squadrons performed defensive patrol missions in the Cherbourg-Oris Sea area.

b. Night, May 7-8.

Two German battleships in Brest harbor were again the target of attack by seven bombers. Hits with one 2,000-pound armor piercing bomb and one 500-pound were observed on each. The shipping facilities at St. Nazaire were subject to attack by 15 bombers. Bremen, Ameland and Terschelling had attacks made on their shipping by a smaller number of bombers as was also the case off Bergen.

2. German Air Activity over Great Britain.

a. Night, May 8-9.

German major bombing operations took place over East Anglia, the Humber, Dover-in-Flanders and over the whole of the Midlands. A smaller number of planes attacked London.

b. Daylight, May 8.

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There were many offensive missions performed by German Fighters over Kent and strong patrols operated over the Calais-Dover area.

2. Night, May 7-8.

Three hundred thirty-five planes took part in attacks on Britain.

3. Air Losses. British Bombers.

2. British. Night, May 7-8.

Two British bombers were shot down over Germany.

1. German.

1. Night, May 8-9.

So far as has been reported to date, five German planes were shot down and one damaged by night Fighters.

2. Daylight, May 8.

In German attacks on Kent eleven Fighters were shot down with three probable and one damaged. In the Cherbourg area one Fighter was shot down with one more probable.

3. Night, May 7-8.

The latest report of German plane casualties over Britain indicates that 20 were shot down with four more probable and 15 damaged by night Fighters while an additional three were taken out by anti-aircraft fire.

4. British Air Activity. Middle East Theater.

2. Daylight, May 8.

1. Egypt.

The harbor of Suez and airfields at Harge, Benina and Suez were bombed by British planes based in Egypt.

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There were many offensive missions performed by German Fighters over East and strong patrols operated over the Calais-Dover area.

2. Night, May 7-8.

Three hundred thirty-five planes took part in attacks on Britain.

3. Air Losses. British Theater.

2. British. Night, May 7-8.

Two British bombers were shot down over Germany.

1. German.

1. Night, May 8-9.

So far as has been reported to date, five German planes were shot down and one damaged by night Fighters.

2. Daylight, May 8.

In German attacks on East eleven Fighters were shot down with three probable and one damaged. In the Cherbourg area one Fighter was shot down with one more probable.

3. Night, May 7-8.

The latest report of German plane casualties over Britain indicates that 20 were shot down with four more probable and 15 damaged by night Fighters while an additional three were taken out by anti-aircraft fire.

4. British Air Activity. Middle East Theater.

2. Daylight, May 8.

1. Egypt.

The harbor of Suez and airfields at Harge, Benina and Derna were bombed by British planes based in Egypt.

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2. Algeria.

Many troop columns in the Lake Ashangi and at Asha Alagi and near Ghatina were bombed by British planes. Ghatina was a target for bombing by the Free French forces.

3. Iraq.

Rashid Airfield was bombed by British planes and the magazine near Bagdad was successfully bombed with resultant explosions. Operations against the Rashid Airfield resulted in the destruction of six Iraq planes and damage to 12.

3. Suez Air Activity. Middle East Theater.

2. Night, May 7-8.

The Suez Canal was again attacked by mining planes of which six launched by parachute exploded between Port Said and Matruh. Malta was attacked by ten bombers without damage.

II. The following information has been received from Ambassador Biddle in Norway:

1. There are some indications that German operations may be preparing for Greenland, Iceland or Spitzbergen.

2. On May 6 the Norwegian Minister said that he had recently received information from observers in North Norway that about three full German Divisions, all young first-class combat personnel, were concentrated in the Kirkenes-Tromsø area and that transports had been observed off that coast. These forces had arrived by sea transport from the southern districts of Norway. Several hundred pairs of skis had been procured by purchase for their use. Consult our previous cable on this subject.

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III. The following is a summary of British Military Intelligence information:

1. Libya.

Apparently an attack is being prepared against the southeast perimeter of Tobruk.

2. Aegean.

The Island of Thera, north of Crete, has been occupied by the Italians.

3. Iraq.

Telegraph offices, commercial buildings and banks in Basra have been occupied by the British. The plateau south of Habbaniya Airbase has been cleared of Iraqi troops and occupied by the British.

4. The Germans are improving and enlarging airfields in Poland.

END

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Air Corps
G-3

+

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BRITISH EMBASSY,
WASHINGTON, D.C.
May 11th, 1941.

Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

W. A. C. Campbell

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated May 9th.

1. Naval. Night of the 7th/8th; two destroyers severely damaged at Liverpool and two destroyers slightly damaged at Hull.
2. On the 8th one armed drifter sunk by aircraft, one minesweeping trawler mined and sunk in Ketier.
3. Suez Canal closed near Kantara by mines.
4. At Tobruk the 8th, "Ladybird" shot down two enemy aircraft. We lost one minesweeper by bomb hit.
5. P.M. 8th; 600 miles northeast of the Seychelles His Majesty's Ship "Cornwall" sank armed merchant raider and sustained slight damage and two minor casualties from two hits. 53 Germans picked up. Out of 67 British and 166 Lascars only 11 British and 16 Lascars were saved.
6. Military. Habbaniya. During salvage operations our forces have brought in armoured cars, lorries and six serviceable 3.7 inch howitzers.
7. Royal Air Force. 8th. 6 medium bombers attacked 700 tons anti-aircraft ship off Stavanger, left down by the stern. One missing.
8. Night of the 8th/9th. 183 bombers sent to attack shipyards and industrial centre of Hamburg, 133 to shipyards, mostly smaller numbers to Berlin, Kiel and to attack shipping. Out of the 359 aircraft 10 did not return.
9. German Air Force. 8th. Strong patrols operated over Dover Straits, small formations over Kent. Fighters destroyed 2 enemy aircraft and probably five more; 3 hurricanes shot down, two pilots safe.
10. Night of 8th/9th. About 230 aircraft operating mainly over Midlands and Hull. Enemy casualties - destroyed 11, probable 1, damaged 4.
11. Home Security. Night of 8th/9th. Hull attack/

-2-

attack severe. Docks and centre of the city again principal targets. Many fires and widespread damage. Nottingham industrial key point and public utilities not seriously affected.

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Paraphrase of Code Radiogram
Received at the War Department
at 16:23, May 9, 1941

Sofia, filed May 9, 1941.

According to reports, the Germans have seven or eight divisions on Turkey's Thracian frontier. This information is as of May 3, 1941. The Germans were then occupying a zone 40 kilometers deep. There were four divisions of the Bulgarian Army in Thrace and Macedonia, and 10 on Turkish frontier. In Eastern Bulgaria no German divisions have been located. It is stated that the Bulgarian railroads are being used to the utmost in transportation of German material northward and in the direction of the Black Sea.

JADWIN

Distribution:

Secretary of War
State Department
✓ Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence (2)

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SECRET 135

By authority A. C. of S., G-2

Date *12 May 41* *[Signature]*
Initials

Paraphrase of Code Cablegram
Received at the War Department
at 07:47, May 10, 1941

London, filed 12:00, May 10, 1941.

The table below gives the British estimate of the distribution of the German Air Force as of May 3, 1941. The breakdown of the types of aircraft will be sent by courier unless this information is requested by cable.

Area	No. of Planes	No. of Transports
Germany	493	600
Norway and Denmark	343	50
Holland, Belgium, and France	2193	150
Africa and Central Mediterranean	411	250
Balkans, Southeast Germany, and Aegean	1080	450
TOTAL	4420	1500

(G-2 Note: The total of 4420 is the same as that given in an April breakdown of the German Air Force. No mention is made of planes in Poland.)

LHM

Distribution:

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence (3)
Air Corps

SECRET

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 14, 1951

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Iraq

General Wavell and the Royal Air Force command in the Middle East are urging that negotiations be undertaken in Iraq to free the air force and troops for Egypt. The Ministry of Air in London, however, demands that the Iraq Government be overthrown. The Ministry believes that no German planes can arrive in Iraq this month.

General Wilson is forming units in Palestine for use in Iraq. (Cairo, Military Attache, May 11)

On May 6, a convoy with an infantry brigade from India arrived at Basra. (London, British Embassy, May 8)

England

The air raid of the night of May 6 damaged John Brown's shipyard on the Clyde-side. Production was cut by at least one-third. The ordnance factory at Ardeer which was hit will have to reduce production by at least 25 percent for some weeks. (London, British Embassy, May 8)

Eastern Mediterranean

The Germans are now estimated to have 328 planes in the Balkans and 450 planes in the Mediterranean area.

The German air force in Greece is being overhauled and repaired. There are parachute troops and air transports based on Athens.

The Germans are assembling a fleet of small vessels in Greece. (All this would indicate an attack on Crete or a descent upon Syria.) (Cairo, Military Attache, May 11)

- 2 -

Division of Monetary
ResearchBalkans

In the region of the Hungarians, the Danube is now clear of obstructions except at one point where a ship canal is apparently available.

The Danube was blocked by the Yugoslavs near the Romanian frontier and is still blocked by a combination of barges sunk in the river with a bridge collapsed on the top of them. It is likely, however, that traffic will be resumed in a few days past this spot.

Damage occurred to the Yugoslav railroads at numerous places, it is reported. The civil traffic on the Hungarian railroads has been cut one-half because of the poor state of the railroads. Over one-half of the capacity of the Romanian railroads is being used for military purposes and commercial traffic is thereby hampered. There has been no significant sabotage of the railroads, as far as is known.

In Bulgaria and Romania, all the oil tanks and reservoirs are full. The German experts are trying to raise the Romanian production of aviation gasoline from 10,000 tons to 18,000 tons a month. (Budapest, Military Attache, May 10; Bucharest, Military Attache, May 9)

SECRET 138

By authority A. C. of S., G.

Date MAY 13 1941 (BPN)

Initials

Transmission of Code Submarine
Received at the War Department
at 10:00, May 12, 1941

Cairo, filed 22:10, May 12, 1941.

1. During the week beginning May 2 casualties in German planes totalled 21 in the Middle East theater.

2. A fleet of small vessels is being assembled by the Germans in Greece, and German shipping continues to make use of the Black Sea. From the bases utilized by Germany in Sicily and Greece indications are that her air force is prepared to move to any part of the area included in the semicircle from Spain to England.

3. The presence of a number of planes flying south was discovered by radio direction finders at Malta. In the week following May 2 Sicily, Malta, Crete, Alexandria, and the Suez Canal were subjected to heavy air raids.

4. Eighty-four planes have left the Balkan area supposedly returning to Germany for new equipment. The air force in Greece is undergoing overhauling and repair.

5. The estimate of German air strength in the Middle East theater is as follows:

Balkan area 200 planes

Mediterranean area 400 planes

There have been no changes observed in the number of transport planes during the week. The air elements based on Sicily are apparently prepared to operate either from Libya or the Aegean Sea. Paratroop troops (using German machine pistols) and air transports are based on Athens.

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6. An additional squadron of Junkers 88's has been observed in Libya.

7. Daylight May 12. Airplane reconnaissance over Tripoli revealed 25 freighters, some as large as 9000 tons, in the harbor.

8. The following identifications have been made about Tahrak reading from west to east:

the 27th Brescia Division (Italian)

the 128th Trento Motorized Division (Italian)

9th Light Armored Division (German)

132nd Ariete Armored Division (Italian)

There has been a general transfer of tank units from the German 9th Light Armored Division and the 15th Armored Division in Cyrenaica and Bardia respectively.

9. One squadron of Tachikawa has arrived in Alexandria May 12 for defense against daylight raids. It is estimated that such defense will be required by May 14.

10. In light of the aircraft and troop requirements for the defense of Egypt, air force authorities in the Middle East and General Wevell united to urge that negotiations be undertaken at Iraq. The Ministry of Air in London however demands the overthrow of the present Iraq government. The Ministry is of the opinion that no German planes will be able to arrive in Iraq this month.

11. General Wevell is at present with General Wilson in Palestine. The latter is in the process of formation of units for employment in Iraq.

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12. British units are being organized for the defense of Cyprus and those in Crete are being reinforced.

13. Iraq. It is estimated that the Iraqi air forces consist of 65 first-line aircraft, 40 of which are serviceable and 21 training planes.

YELING**Distribution:**

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence - 2
Air Corps
Assistant Chief of Staff, G-3.

SECRET

BRITISH EMBASSY,
WASHINGTON, D.C.

May 10th, 1941

Personal and
Secret

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Wm. L. Campbell

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated
May 8th, 1941.

- NAVAL. A.P. trawler and one yacht bombed sunk home waters.
2. Hospital ship "Karapara" has arrived at Alexandria.
3. British tanker 3600 tons at 02.55/7 reported shelled by raider 340 miles East southeast Cape Guardafui.
4. Night of May 6th/7th. Royal Air Force claimed direct hit on 5000 ton merchant ship anchored at Terschielling.
5. Military. Iraq. Habbaniya. Night of May 6th/7th, quiet. Our patrols remained on the high ground captured which was occupied in the morning. Bridge between Ramadi and Habbaniya was blown up by enemy during the night.
6. Convoy containing one Infantry Brigade from India arrived at Basra afternoon of May 6th.
7. Ethiopia. One Italian General and 170 Europeans have been captured at Alomata. The enemy have evacuated Debarech (40 miles Northeast of Gondar).
8. Royal Air Force. Night of May 7th/8th: 87 bombers sent to attack battle cruisers at Brest, 15 St. Nazaire docks, others to Bremen docks and to attack shipping. Hits with one 2000 lb. armour piercing bomb and one 500 lb. bomb on each ship are claimed. Two bombers missing.
9. Mediterranean. On May 7th five Blenheims attacked convoy of 3 merchant ships and two escort vessels south southeast of Pantellaria. Two ships of 3000 and 1500 tons were hit.

10./

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10. German Air Force. May 7th; activity off the southeast coast. Our fighters destroyed 3 enemy aircraft. We lost two Spitfires.
11. Night of May 7th/8th. About 200 aircraft operating, mainly against Manchester, Merseyside, Hull and Bristol; 23 were destroyed, 4 probable, 13 damaged.
12. Iraq. May 6th. Three of our aircraft destroyed on the ground during air attacks in Habbaniya area.
13. Home Security. Two-thirds of the workmen have resumed at John Brown's after raid the night of May 6th/7th; two other shipyards at Greenock damaged the same night. Ardeer production on military side likely to be reduced by about 25% for some weeks.
14. The night of May 7th/8th. Extensive fires at Bootle, Hull and Bristol.

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Paraphrase of Code Cablegram
Received at the War Department
at 16:23, May 10, 1941.

Budapest, filed May 10, 1941.

1. Information available in Budapest indicates that the Danube river is now clear of obstructions except at Gombos just below the junction of the Prave and the Danube. At this point the river has a draught of only two meters. The normal depth will be attained in about a fortnight. The use of the ship canal at this point is unnecessary except for the largest ships, and then only at low water. The Save pontoon bridge at Belgrade is open for two periods of two hours each daily.
2. The following destructions to railroad lines are known to have occurred.
 - a. Railroad detour of one mile around Nish.
 - b. Railroad line at Koplje.
 - c. Bridge at Zemun.
 - d. Long trestle at Laibach.
 - e. Bridge at Hungarian-Yugoslav border on Budapest-Zagreb railroad line.
3. There are reports here to the effect that Serbian bands are still fighting in the mountains of Montenegro.
4. The Hungarian Slovakian frontier will be closed up until May 12th. German troops are moving eastward through Slovakia.
5. The civil traffic on the Hungarian railroads has been cut by about one half. The poor state of the railroads will forbid them

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to carry a much greater load.

MILITARY ATTACHE

Distribution

Secretary of War
State Department
Secretary of Treasury
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence

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Paraphrase of Code Radiogram
Received at the War Department
at 18:53, May 9, 1941

Bucharest, filed 11:55, May 9, 1941.

1. In Bulgaria and Rumania all tanks and reservoirs are filled and all tank cars on hand are used for transporting oil to Germany. German field troops get gasoline in small containers filled at the refineries. German experts are negotiating for an increase of monthly output of aviation gasoline from 10,000 tons to 18,000. This would be 162,000 barrels at 42 gallons each. Therefore, 72 octane to be leaded to 95 would have to be accepted. Shipment of synthetic gasoline for planes is to be avoided if possible. This large amount of aviation gasoline would be necessary for further action. The totalitarian leaders are pressing the oil producers to step up output. The Germans are paying the total cost of bomb protection for oil tanks.

2. I can report accurately on railroads only in Rumania. The German run service is much better than that of the Rumanians. Over half of the rail movement concerns the armed forces. Commercial travel has naturally been hampered despite the fact that rail traffic is greater than before. There are no strict railroad regulations in force now. Rail line sabotage was never of prime importance at any time. I have a report that the railroads at Belgrade, Pancevo and Novisad were torn up by the Yugoslavs. I do not know about other points and am unable to say how long the dislocation of rail traffic will continue.

3. The canal was not bombed and German fire at three in the

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morning of April 6th in the Kazan destroyed the cement loaded Yugoslav barges which were to block it. The crew and Yugoslav soldiers on guard at the canal were wiped out. I have no information on the bombing of Dubravica and Gelubac. Transportation on the Danube is possible below Novisad. Their barges filled with rocks were sunk under bridges which were then destroyed by the Yugoslavs. This obstacle in all probability will be cleared within a few days because oil companies have been ordered by the Germans to load sixty barges, 600 to 700 tons each, which are now above Novisad.

RATAY

Distribution

Secretary of War
State Department
Secretary of Treasury ✓
Under Secretary of War
Chief of Staff
Assistant Chief of Staff, G-2
War Plans Division
Office of Naval Intelligence
Expert Control

-2-

CONFIDENTIAL

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 16, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

Subject: Weekly Military Report: The Size of the German Air Force

1. The total strength that the German air force could put into combat at any one time is probably not more than 11,000 airplanes. The most likely figure is 9,000 to 10,000.

This figure is based on a number of independent estimates. According to an officer of the French General Staff, the Germans had in action about 5,000 planes on the Western Front last May. It took the Germans five years of all-out effort to attain this strength. It is possible that they could more than double this in one year, but not probable.

Our Military Attache in Berlin reports that the Germans are supposed to be forming a Seventh Air Fleet. There are 1,600 planes in an air fleet, thus, according to this report, the Germans would have a total of 11,200 combat planes.

Last December, I believe, the British were of the opinion that a first-line strength of 7,000 airplanes in 1941 would achieve parity with the Germans.

Our London Military Attache reported recently that the Germans had a combat strength of 4,400 airplanes outside of Poland. It is possible that the Germans would have more than half of their air force in Poland but I doubt it. As a maximum, then, based on our London Attache's figures, the German combat strength did not total more than 3,800 airplanes. The April, 1941 issue of the British Military magazine, Fighting Forces, estimated that the German first-line strength totalled approximately 3,500 airplanes.

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Division of Monetary
Research

2. The total number of airplanes of all types at the disposal of the Germans is probably not more than 35,000. The most likely figure is about 30,000.

According to Royal Air Force experience, the peacetime allowance of a 50 percent reserve of planes in the operating squadron is not sufficient. To be able to maintain a strength of 12 planes ready to take the air it is necessary to have 20 - 22 planes in the squadron. Since, in addition, some airplanes have to be kept in reserve in higher echelons, it is probably safe to estimate that a 100 percent reserve of the first line strength is required. To maintain a first line combat strength of 9,000 to 10,000 planes it would probably, therefore, be necessary to have a total of 18,000 to 20,000 combat planes.

In addition to combat planes, an air force has training, observation, reconnaissance, army intercommunication, transport and other utility airplanes. Probably about a third, and perhaps more, of the total German air force would consist of such planes.

With a first line combat strength of 9,000 to 10,000 airplanes, the Germans would probably have, therefore, a total of 27,000 to 30,000 airplanes of all types. This figure is still a high estimate. The April, 1941 Fighting Forces estimates the total number of German airplanes of all types at 20,000.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 15, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Hess

British Military Intelligence believes that the cause of Hess' flight was a factional fight in the Nazi Party in which Goering was getting the better. Since Hess was the leader of a strong faction, there should be a great and widespread reaction in the Nazi Party. (London, Military Attache, May 13)

England

In the German raid of May 10-11 on London, the damage to war industry is thought not serious. The damage to docks is "less heavy than expected". Transportation was curtailed through the blocking of a number of main thoroughfares and some suspension of railway and underground service.

Egypt

The Suez Canal has been closed now since about May 9 by mines. The Germans are using a new type of mine which can be dropped from 2,000 feet without a parachute. (London, Military Attache, May 13)

(The closing of the Suez cutting the main route of supply of the army in Egypt and the Western Desert is, of course, a serious blow to the British.)

Iraq

There are indications of the flight of a few axis planes across Syria toward Iraq. (M.I.D. Situation Report, May 14)

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Paraphrase of Code Cablegram
Received at the War Department
at 08:02, May 13, 1941.

London, filed May 13, 1941.

I. Daily Cable.

1. British Air Activity over the Continent.

a. Daylight May 12. Sea borne traffic in the vicinity of the Skagerrak was attacked by a small force of British bombers. Some hits were claimed.

b. Night of May 11-12. The Coastal Command bombed the mosquito fleet based at IJmuiden and the seaplane base at De Meer in Holland. Three bombers performed missions against shipping, one against the airfield at Marignac and 10 against Dieppe and Rotterdam. Major attacks however were on the scale of 92 planes over Hamburg and 81 over Bremen.

c. Night of May 10-11. British bombing sank a German destroyer and 2 freighters while 3 other Axis convoys were attacked without results having been reported through failure of observation.

2. German Air Activity over Britain.

a. Night of May 12-13. German air operations over Britain were on a minor scale and chiefly were single planes over Reading, Debden and Birmingham and their vicinities with a small number attacking coast targets between Flamborough Head and the Estuary with a few over the Bristol Channel. There was no activity reported from other theaters.

b. Daylight May 12. German air operations were reduced to a minimum with a few scattered planes observed over land but no raids were reported.

3. Air Losses British Theater.

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a. British.

(1) Night of May 11-12. In operations against the Continent four British planes failed to return.

b. German.

(1) Night of May 12-13. One bomber was shot down by night fighters.

(2) Night of May 11-12. Nine planes were shot down with two probable and four damaged in attacks on British airfields.

3. Night of May 11-12. The latest reports show that 310 planes were employed in attacks on Britain with the principal concentrations against airfields. Some damage was reported to buildings and facilities but there were no serious plane casualties.

4. British Air Activity Middle East Theater.

a. Daylight May 12.

(1) Libya. The airfields at Gazala, Derna and Denina were attacked by planes based on Egypt which also bombed shipping in the harbor at Bengasi.

(2) Italian East Africa. British planes heavily bombed and machine gunned Amba Alagi.

(3) Iraq. All occupied positions were bombed by British planes.

b. Daylight May 10. A raid by British aircraft on Sicily severely damaged an airport and destroyed at least 5 planes on the ground.

5. German Air Losses Middle East Theater.

a. Daylight May 12. Five German planes were shot down in the course of British attacks on Libya.

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Regraded Unclassified

II. The following is a summary of military intelligence information to date of May 13:

1. London, Night of May 10-11. Casualties in the course of German air raids are reported as 646 killed and 1400 seriously injured.

2. British Military Intelligence expects great and widespread reaction in the Nazi party as a result of the defection of Herr Hess. He was a leader of a strong faction in this party and it is believed the cause of his flight was that he had found himself getting the worst of it in a bitter struggle which has existed between him and Goering. It is yet too early to fully estimate the results of his flight to England but it is hoped that he will talk freely. He is now hospitalized.

3. The Suez Canal continues to be closed to traffic by mines in the vicinity of Kantara and others unexploded near Station No. 13. A new type of mine which can be dropped from 2,000 feet without a parachute is now being utilized by the Germans.

4. There is no change in the situation in the vicinity of Tobruk and Sallum.

5. More German agitators are reported arriving in Syria by air.

6. The situation in Iraq is more normal.

THE

Distribution:

Secretary of War
State Department
Secretary of Treasury
Assistant Chief of Staff, G-2
Chief of Staff
Under Secretary of War
War Plans Division
Office of Naval Intelligence
G-3
Air Corps

-3-

CONFIDENTIAL

BRITISH EMBASSY,
WASHINGTON, D.C.

May 14th, 1941.

Personal and Secret.

Dear Mr. Secretary,

I enclose herein for your
personal and secret information a copy
of the latest report received from
London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Harold Butler

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D. C.

Telegram from London dated May 12th.

1. Naval. Owing to raid night of 9th/10th, Suez Canal now closed between Port Said and Lake Timsah and Lake Timsah and Deversoir. Between Suez and Deversoir and in Lake Timsah traffic can move.
2. Night of May 10th/11th. Royal Air Force claim sinking by two direct hits destroyer approximately 2,000 tons.
3. Two 500 ton vessels were hit and probably destroyed. Unobserved attacks also made on three convoys off Frisian Islands.
4. Attacks by enemy aircraft on two East Coast convoys night of 11th/12th were unsuccessful.
5. Iraq. Rutba Fort was captured by the Royal Air Force armoured cars early May 11th. This area including aerodrome is now in our hands.
6. Royal Air Force. Night of 10th/11th.
Hamburg. About 107 tons of H.E. and 10,000 incendiaries dropped under good visibility: in particular Blohm and Voss shipyards, electric power station, main railway station and marshalling yards repeatedly hit. 13 tons of H.E. dropped on Berlin.
7. Night of 11th/12th. 187 bombers sent to Hamburg (92) Bremen (81) 3 German occupied ports (10) 1 stirring to Merignac aerodrome and three aircraft to attack shipping. Weather good over Northwest Germany and 80% of attack on primary targets. Four aircraft missing.
8. During the daylight 10th, two aerodromes in Sicily were attacked by 9 Beaufighters which have destroyed at least five aircraft and inflicted heavy damage.
9. Iraq. Four Blenheims which attacked Rutba on May 9th were damaged and 1 destroyed by anti-aircraft fire on May 10th.
10. German Air Force. May 11th, daylight. Activity slight.

Fighters/

- 2 -

Fighters bombed and machine gunned South End Aerodrome, damaging two aircraft. Our fighters destroyed four without loss, ground defences a fifth.

11. Night of 11th/12th. 260 aircraft operating overland, 15 more minelaying. Bombing widely distributed. Royal Air Force stations attacked: some damage to hangars and buildings, casualties few. No serious loss of aircraft. 7 enemy aircraft destroyed, four by night fighters.

12. Home Security. Night of 10th/11th. Casualties so far reported 646 killed, 14,004 seriously wounded. May 9th Westminster and Bermondsey reported damaged.

Factories. Damage to war industry thought not serious.

Docks. Damage less heavy than expected.

City. Many main thoroughfares blocked but those from north to south now mainly cleared.

Railways. Considerable suspension of traffic principle Termini but largely precautionary during survey of the permanent way. Several sections of the underground temporarily closed.

Electricity. Some temporary dislocation of supply.

Gas. Damage to gas works not serious but fracture of mains has cut off supply in some S.E. districts.

Telephones. Little dislocation. ~~Publ~~

Public Buildings. Houses of Parliament. Chamber of House of Commons severely damaged by H.E. and fire. Extensive damage to corridors, ceiling, etc. in House of Lords.

Westminster Abbey. Lantern Tower over Transept collapsed into the Abbey. Damage reparable.

Westminster Hall. Serious damage to roof.

Lambeth Palace. Serious damage to chapel and part of the Palace.

City Guilds. Five Halls destroyed.

Queens Hall. Extensive damage by fire.

British Museum. Most treasures had been removed. Damage comparatively slight.

RESTRICTED

G-2/2657-220; No. 391 M.I.D., W. D. 12:00 M., May 14, 1941.

SITUATION REPORTI. Western Theater of War.

Air: Limited operations by both sides due, apparently, to bad weather.

II. Mediterranean and African Theaters of War.

Ground: North Africa. Deep German reconnaissances to the East and Southeast of Sollum resulted in sharp clashes.

Near Tobruk a British attack on an Italian position was repulsed with considerable losses according to the Italian High Command.

Air: Minor raids on Malta and Alexandria by Axis planes and on Benghazi by the British.

III. Balkan Theater of War.

Italian troops have occupied Pec, Prizren, Tetovo, Gostivar and Kisevo in conquered Yugoslavia, and in Greece they have completed occupation of Epirus and Acarnania and Aetolia, reaching Missolonghi and Lepanto on the Gulf of Patras.

IV. Iraq.

No change in the general situation.

Indications of flight of a few Axis planes across Syria toward Iraq.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 19, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: British Forces in the Campaign for Egypt
(With accompanying map)

British Strategy

The present British strategy in the campaign in the Western Desert of Egypt is defensive. The British hope to hold Egypt over the summer by relying on the hot weather, the sand storms and the difficulties the axis experience in supplying their troops and by fighting successive delaying actions.

Tobruk

The mission of the force at Tobruk is to deny the use of the harbor as an axis means of supply and to interfere with the use of the coastal highway. When the British are able to take the offensive again, Tobruk will be valuable as a British base for an advance.

There are 25,000 men now at Tobruk, including one Australian division. (This is double the original number.) The garrison probably has less than 30 tanks. No air support is available. There are, however, over 100 anti-aircraft, anti-tank guns.

Zone I - Patrol Action

In the area from the Libyan frontier east to Mersa Matruh, the mission of the British force covering this sector is to act as a delaying force to hold up any axis advance. This force may take the tactical offensive from time to time, such as its attack on Sollum, to keep the axis forces worried but it cannot undertake any major engagement.

-2-

Division of Monetary
Research

The British troops in this patrol number about 5,000. They consist of, so far as our information goes, 15 light tanks, 50 armored cars, 40 field guns and partially motorized infantry.

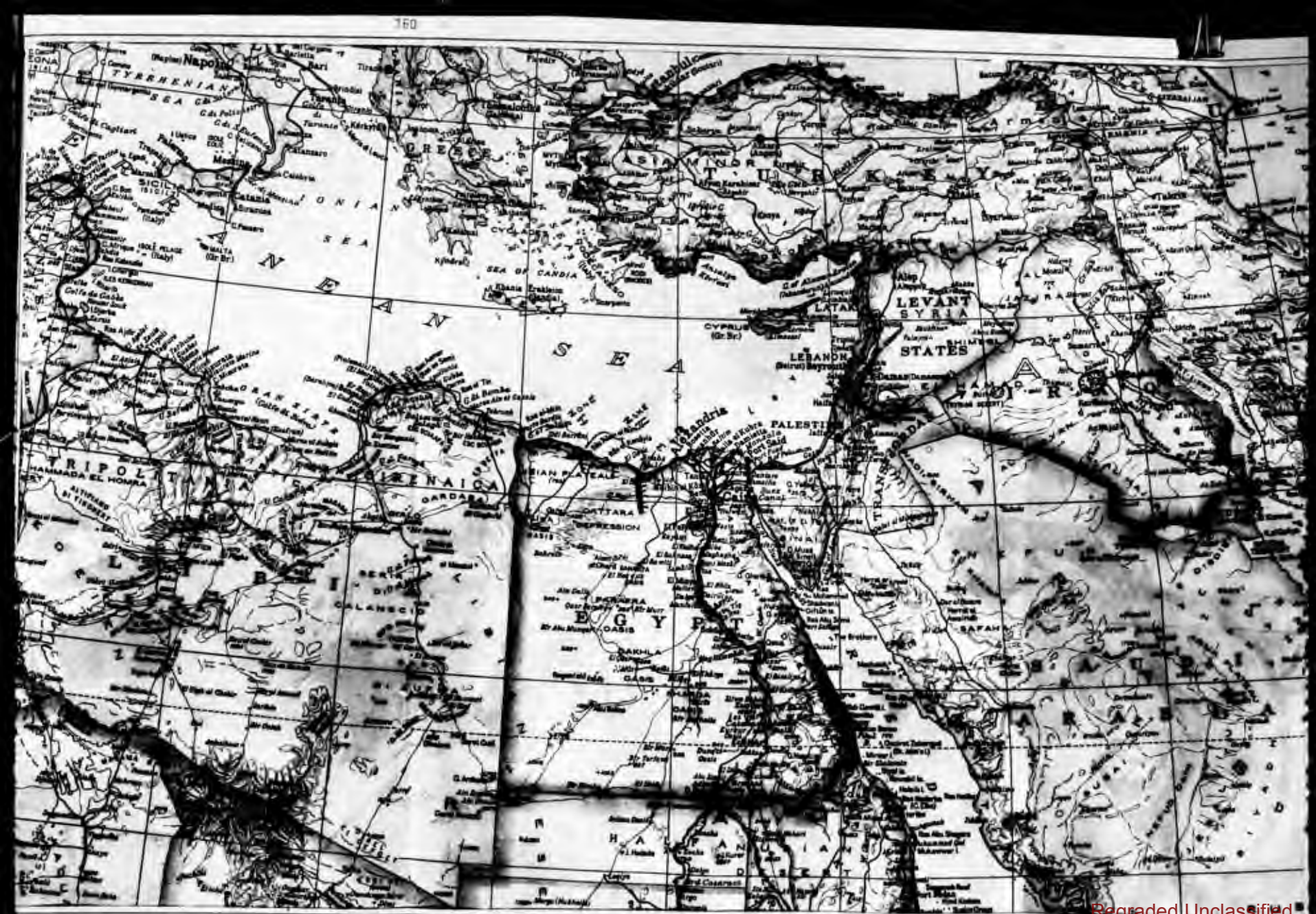
Zone II - Successive Delaying Positions

In Zone II from Mersa Matruh to the main line of resistance (M.L.R.) (from El Maghra to the sea) there are two major delaying positions. The mission of the troops in this area is to delay the advance of the axis forces and then fall back under major pressure. In Zone II, the British have two divisions (one Indian, one British) or around 35,000 to 40,000 men. The two divisions are being supported by 34 light tanks and 36 armored cars.

Main Line of Resistance

The main line of resistance which the British plan to hold at all costs runs from El Maghra to the sea. There is no information on the British forces available to hold this line. The troops now in front of it, outside of Tobruk, are expected to fall back on this position. This would give a total of about 40,000 men.

The Second Armored Division is out of action, one brigade having been lost in Libya and the other in Greece. The Seventh Armored Division was awaiting new vehicles which have presumably arrived on the recent convoy from England. It should, therefore, be available for action within a few weeks.



TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 19, 1941

to Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports on Current Subjects

Libya-Egypt

According to Rome sources, the German offensive in North Africa has been temporarily postponed due to damage to the Libyan ports, considerable losses in personnel and supplies en route to Africa and the difficulty of the supply problem. According to a Turk in Rome, the Germans now have 1,200 tanks in Libya but lost 700 more en route through sinkings. (Rome, Military Attache, May 15)

(This is probably a more accurate report than the earlier estimate by our military attache that the Germans have five panzer divisions in Africa, i.e. about 2,000 tanks.)

A British convoy of six ships passed through the Mediterranean to Egypt. Despite heavy air attacks, no losses from bombs were suffered. One ship was lost through striking a mine. (Cairo, Military Attache, May 13)

The British now believe that the Italians have seven divisions in Libya, one motorized and one armored. (This agrees fairly well with the Berlin and Vichy estimates of eight Italian divisions, but is one-half of our Rome attache's estimate of fifteen Italian divisions. (London, British Embassy telegram, May 13)

Crete

A fairly reliable source in Berlin reports without confirmation that the German army is going to attack Crete supported by parachute troops. (Berlin, Military Attache, May 15)

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Division of Monetary
ResearchIraq-Turkey

The Germans have sent a shipment of ammunition to Iraq by rail through Turkey. The Turks say that under the rules of neutrality they cannot stop this traffic. (London, Military Attache, May 15)

Switzerland-France

There is an Italian concentration of troops south of the Matterhorn. This may be to put pressure on Switzerland or France or may represent simply a withdrawal of troops from Albania. (London, British Embassy telegram, May 13)

Russia

According to a Turkish source in Rome, Russia has agreed to all German demands and, therefore, there will be no German attack on the Ukraine. A German source in Rome is reported to have stated that Germany will send agricultural and transport experts to Russia to take charge of grain and live stock shipments from the Ukraine. (Rome, Military Attache, May 15)

Germany

There has been no deterioration in the quality of German pilots used over England. They are in first-rate physical condition and their morale, even when captured, is swaggering and defiant. (London, Military Attache, May 15)

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Paraphrase of Code Cablegram
Received at the War Department
at 16:02, May 15, 1941.

Rome, filed May 15, 1941.

As the result of damage to Libyan ports, considerable losses in personnel and supplies en route to Africa and the great difficulty of the supply problem, the German offensive on Egypt has been temporarily postponed according to well informed opinion in Italy in spite of press reports to the contrary. There are in Libya 1200 German tanks although 700 have been lost due to transport sinkings according to a reliable Turkish source. It is thought that General Rommel is over extended and that reinforcements from Greece are being sent him by air. It is stated by the same informant as a fact that two German bombers have arrived at Baghdad and German troops are expected in Iraq by plane. It is considered probable by him that France has agreed for Germany to use Syria to include possibly transports there and material. He further states that as Russia has agreed to all German demands there will be no attack on the Ukraine. According to another contact it is reported by a German source that as the result of a secret agreement Germany will send agricultural and transportation engineers to Russia, who will be in charge of grain and live stock shipments from the Ukraine.

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Office of Naval Intelligence

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By authority A. C. of S., G-2

Date **MAY 16 1941** (R) Initials

Paraphrase of Code Cablegram
Received at the War Department
at 21:20, May 14, 1941

Cairo, filed May 13, 1941.

1. Five ships of 3,000 ton burden were observed in the harbor of Benghazi.
2. German aircraft are known to be in Iraq and Syria.
3. A British convoy of 6 ships passed through the narrows south of Sicily. Despite heavy air bombardment there were no losses. However one ship struck a mine and sank.

FELLERS

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BRITISH EMBASSY,
WASHINGTON, D.C.

May 15th, 1941.

PERSONAL AND SECRET.

Dear Mr. Secretary,

I enclose herein for your personal
and secret information a copy of the latest
report received from London on the military
situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Harold Butler

The Honourable

Henry Morgenthau, Jr.,

United States Treasury,

Washington, D.C.

TELEGRAM FROM LONDON MAY 18th. 1941.Naval.

Night of 10th/11th. 5 British destroyers fired 866 rounds at shipping and military objectives at Benghazi. One merchant vessel was engaged from the harbour entrance and hit. Our ships were attacked by dive-bombers and shore batteries but no damage was sustained. British gun boat also bombarded landing ground at Gazala and caused fires.

2. Military.
Ethiopia. Our troops advancing from South have reached 12 miles south of Amba Alagi. In Southern Abyssinia we have occupied the last enemy position at Wadara.

3. Libya.
Believed 7 Italian divisions now in Libya including one armoured, one motorized.

4. Italy.
Italian concentration South of the Matterhorn group. Size not yet known. Possibly consists of troops from Albania but may be first movement to induce closer collaboration with Switzerland and Unoccupied France with the Axis.

5. Royal Air Force.
Night of 12th/13th. 100 bombers sent to attack industrial centre of Mannheim, 13 shipping off French Coast, 1 aircraft missing.

6. Libya.
Night of 11th/12th. 9 heavy bombers attacked Benghazi harbour and 2 enemy aerodromes in Cyrenia. Large fires started at Benghazi and on aerodromes; 4 aircraft set on fire and others damaged.

7. German Air Force.
Day of 12th; enemy activity slight. Night of 12th/13th, only 50 aircraft came over land; further 90 were minelaying, 1 enemy bomber destroyed by night fighters.

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Paraphrase of Code Cabbagegram
Received at the War Department
at 15:50, May 15, 1941.

Berlin, filed 15:10, May 15, 1941.

A source of fair reliability reports that the Germans
are to attack Crete supported by parachute troops. I am unable
to obtain further confirmation.

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Paraphrase of Code Cablegram
Received at the War Department
at 08:39, May 15, 1941

London, filed 11:40, May 15, 1941.

1. British Air Activity over the Continent.

a. Daylight, May 14. There were no bombing raids by British planes. Fighter squadrons, however, performed missions over German airfields in Occupied France.

b. Night, May 13-14. On account of adverse weather conditions all bombers were grounded. However, damage resulted to an airfield at Ostend from an attack by fighter planes.

2. German Air Activity over Britain.

a. Night, May 14-15. German air operations were limited to sea patrols along the English coast by a small number of planes.

b. Daylight, May 14. Air activity was limited to small number of reconnaissance patrols over East Anglia.

3. German Air Losses, British Theater.

a. Night, May 14-15. One plane was destroyed by Naval anti-aircraft fire.

b. Daylight, May 14. Four German planes were damaged in reconnaissance patrols over East Anglia.

4. British Air Activity, Middle East Theater.

a. Daylight, May 14.

1. Egypt. British planes based on Egypt subjected the airfield at Catania (Sicily) and the Isle of Rhodes to severe bombing. Ships in the harbor at Benghazi were also attacked.

2. Ethiopia. Axis columns near Amba Alagi were attacked

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by low-flying bombers. **CONFIDENTIAL**

3. Iraq. British planes bombed and machine gunned an Iraq arsenal and supply dump as well as motor convoys on roads.

5. A French transport with 400 troops was captured by the British 100 miles southwest of Dakar bound for Madagascar.

6. A small British naval vessel was abandoned 650 miles southwest of Iceland on the morning of May 13, after it had been torpedoed.

7. In the German raids on Malta on the night of May 11-12 damage was limited to one hangar and one Maryland destroyed by fire with two additional planes damaged.

8. It is recommended that the State Department dispatch of May 12, forwarded by airmail, subject "French Military and Political Situation in Morocco and Dakar," be consulted.

9. Reports have been current that raw, young pilots and men recently returned from hospital have been sent by the Germans in bombing raids over England. The inference of these reports is that a strong reserve of experienced veterans is being built up in anticipation of a maximum effort. These reports have been subject to investigation and have been revealed to be without foundation. The percentage of old and young pilots has not been altered. Medical authorities state that German pilots are in first rate physical condition. Their morale, even when captured, is swaggering and defiant.

LXX

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Paraphrase of Code Radiogram
Received at the War Department
at 09:22, May 15, 1941

SECRET

By authority A. C. of S. G-2

Date 16 May 41 *MM*
Initials

London, filed 16:00, May 15.

The following is a summary of British Military Intelligence information on the situation in Iraq to date of May 15:

1. Mr. Murphy, our representative in Tangier, is reported to have told the British representative there, that he considered that British opinion and reports concerning Marshal Petain and General Weygand, and the course of action which they will probably pursue, were too severe. The unofficial opinion held by British Intelligence officers here is that the Government of unoccupied France has been completely controlled by the Germans for months.
2. It is reported from Syria that a number of German planes have landed there coming from Rhodes, and that additional numbers of German "tourists" are arriving in Syria.
3. The French High Commissioner of Syria has announced that he will not attempt to counter any German operations unless he receives specific instructions to do so from the Vichy Government.
4. A shipment of ammunition has been forwarded by the Germans to North Iraq by rail through Turkey. The Turkish authorities say that under the rules of neutrality they cannot put a stop to this traffic.
5. The remnants of the Iraq Army which retreated from Basra are reported to be reorganizing in the vicinity of Qurna (?) and Hamadiyah, south of Baghdad on the Baghdad Railway. Its numbers

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are reported to be about 1000.

6. Several small units of German fighters have been reported, the largest being of 6 planes. At least one bomber has been observed.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 20, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: The British Story of the Balkan Campaign
(According to General Wilson, Commander of
the British Forces in Greece)

Summary

According to the comments of General Wilson, to some degree, the campaign in Greece might be summed up in "Too little and too late". The situation was made worse by Greek and Yugoslav mistakes.

The British tanks proved to have serious defects. The R.A.F. system of army support proved wrong.

The Empire infantry and field artillery apparently gave a good account of themselves. Cooperation with the Navy was good.

The Germans relied too much on air attacks to prevent evacuation and were unsuccessful in preventing the escape of most of the British force.

1. The Germans fostered the Yugoslav coup d'etat of March 27, in order to have a pretext to occupy the country. The agreement with the preceding government had merely given the Germans the right to use the railways. (General Wilson, in my opinion, is mistaken in this view:

- (a) The Germans do not need a real incident for a pretext, they manufacture one very easily.
- (b) If the coup d'etat was foreseen by the Germans they would have been ready to march in the next day, whereas they had to take ten days to rearrange their troops before they could attack.
- (c) The Germans would have preferred to occupy Yugoslavia without war.)

2. The Germans struck at Yugoslavia before the Yugoslavs were ready. The British, too, had not been able to complete their concentration of troops on the planned line of defense before the Germans had crossed the border.

3. The Italo-Greek war had been a one-man show run by Metaxas. After Metaxas' death, the King, while courageous, could not exercise effective political leadership. When the situation became desperate, Metaxas' successor as Premier committed suicide from despair.

4. The forces assigned to the job were inadequate. The Middle East High Command had promised General Wilson seven divisions and twenty-three squadrons of planes. He actually received two divisions and ten squadrons totalling 226 airplanes. (According to earlier information, the British never had more than 100 airplanes in use at any one time.)

The Greeks were supposed to reinforce the central front with 100,000 men to be withdrawn from Albania. But the Greeks were obsessed with the idea of a victory over the Italians and did not withdraw any troops from Albania. (The Yugoslavs made the same mistake. Instead of concentrating their forces to defend the vital Vardar valley opposite Bulgaria, the only Yugoslav army that was completely mobilized when the Germans attacked was the army on the northern Albanian frontier.)

There were also four Greek divisions in Thrace which were to be transferred to other fronts in accordance with the plan to leave Thrace undefended. However, these divisions were composed of Thracians who refused to abandon their homes without resistance to the invader. As a result, four divisions (80,000 men) were lost in Thrace.

The Yugoslavs had also promised to provide support for the Anglo-Greek front. This assistance never materialized.

5. The British tanks had serious mechanical defects. A sharp turn was likely to throw off the tracks and immobilize the vehicle. All the tanks brought into Greece were lost. The British radios in the communications network functioned badly, perhaps due to the magnetic deposits in the mountains.

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Division of Monetary
Research

6. Lieutenant-General Blamey, the Australian now Deputy Commander-in-Chief in the Middle East, is of the opinion that the British system of Royal Air Force control over army planes proved to be wrong. The campaign showed that the commander in the field needs immediate air support and should be able to give direct orders to the squadrons in his support.

7. The British artillery showed up well. The two-pounder anti-tank gun (about the size of our 37 mm. gun) and the 25-pounder gun (larger than our 75's) were particularly effective against the German armored troops.

The British defense against tanks proved to be good as the German tanks never gained the ascendancy over the British foot soldiers in defense.

The successive retirements were made at night and were well carried out since the Germans were not able to overrun the retreating British. The demolitions made during the retreat at night delayed the Germans during the following day.

8. The elastic system of widely-dispersed evacuation from the beaches proved successful. Cooperation with the Navy was well carried out. The Germans relied too much on air action to prevent the evacuation which was carried out successfully at night.

9. According to Lieutenant-General Blamey, the German bombing of motor truck convoys was remarkably ineffective. Machine-gun fire from the attacking planes was effective, however. Neither was as effective as field artillery fire in the last war.

The German tanks were often badly handled. However, they proved to be able to travel over almost any terrain and could go anywhere a horse-drawn vehicle could go.

10. General Wilson expressed the general British opinion that the Germans lack aggressiveness compared to 1914. He felt the Germans were soft once they were out of their armored shell. (Our Cairo military attache comments that this is a mistaken judgment. The present German military doctrine of infiltration teaches that strong points and centers of resistance are not to be attacked head-on

- 4 -

Division of Monetary
Research

but to be by-passed. A line is thus felt out for soft spots which are often created by tank and air action. Then the Germans infiltrate through these soft places and flow through the sector leaving the strong points to be washed away from the rear and flanks.)

11. General Wilson came out with the lesson that concealment from the air was more important than the natural defensive attributes of a position. (This lesson might be modified if it had been General Wilson who had superiority in the air rather than his enemy.)

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Excerpt of Gato Chikagawa
Received at the War Department
at SHAN, May 15, 1941.

Cairo, filed May 12, 1941.

The following is a summary of the information gained in a personal conference with General Wilson:

1. In the course of the British operations in Greece, General Wilson stated that the chief lessons he had learned were the following:
 - a. That in a choice between positions and concealment, concealment is better and that the matter of cover is vitally essential. Troops defending a position under good cover were ignored by German planes.
 - b. Neither German armored units nor fast troops pressed the attack. When coming under defensive fire the Germans never displayed men in men or vehicles.
 - c. While awaiting air support, tanks were kept to the rear, fast elements dug in, and 5.9 Howitzers were immediately brought well forward.
2. It is the General's opinion that the German fast soldier of 1941 does not compare in aggressiveness to the infantryman of 1914. He does not now seek close combat. Once removed from his armored shell, he is soft.
3. General Wilson's observations on the quality of the modern German soldier is an opinion that prevails among British officers. In their estimate, the British neglect consideration of the German doctrine of the offensive by infiltration of small groups around enemy strongpoints. In the direct attack of a position, the infantry does not move in in full strength until the enemy has been softened by bombing from the air and by

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the attack of armored vehicles. It is my own opinion that the German infantryman is not as soft as the British think, but rather that he is employing sound doctrine when he presents no man target to the enemy until after the way has been prepared by planes and tanks.

4. The 2-pounder antitank guns and the British 25-pounder were particularly effective against German armored forces. In combat, German tanks were frequently badly maneuvered and they never succeeded in gaining the ascendancy over the British foot soldiers in defense. However, terrain which the British considered impossible for tanks on account of swamps or slope was easily traversed. The German tank has solved terrain difficulties and can go anywhere that a horse drawn vehicle can go. British tanks had serious mechanical defects. In combat a quick turn threw off the tracks. All the British tanks taken into Greece were lost. British radio functioned very badly. Perhaps the reason for this was magnetic mineral deposits in the mountains, but in any event the best equipment completely failed to operate, and all communication by wireless was erratic. The British attempted to fill the gap by use of liaison officers but utilizing this means of communication was seriously retarded and there were heavy casualties among the officers employed.

5. In the withdrawal from positions in the north, evacuation in daylight and by dark was possible north of Thermopylae. South of that point, however, withdrawal had to be effected in the hours of darkness only and then with the widest possible dispersion along the coast. The plan of evacuation made use of utmost flexibility in regard to the points from which troops were taken. General Wilson had on his staff an Admiral

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who was in direct communication with the flagship from which the evacuation was controlled. The Germans placed too much reliance on air operations against an evacuation dispersed over large areas.

6. In the withdrawal by night from successive positions, the retirement was covered by a fire from alternate positions and movement by day was denied by the German air force. However, demolitions made during the night prevented the Germans from following up the retirement on the next day. (G-2 note; two sentences garbled in original). The Germans had made their plans to pursue a withdrawal on foot, but the British had more motor vehicles than had been expected. The strain on the drivers of motor vehicles was excessive; they operated day and night without sleep and were pursued by unrelenting air attacks. The Greek Logistics hastened the withdrawal. The motor transport of the Greek army was in poor condition and jammed roads which gave the German dive bombers an opportunity for effective attack and made the need for British fighters a matter of urgency.

7. The Greeks were obsessed with their ambition to close the war with Italy victoriously and instead of releasing 100,000 men from Albania for use in the center of the British-Greek line as they had promised, they continued their operations on the Albanian front. Similarly the proposal to transport four Greek divisions operating in Thrace to reinforce the center line remained ineffective because the troops had been raised in Thrace and refused to leave their villages unprotected. As a result of these two failures to reinforce the British, their line was necessarily over-extended to avoid being out-flanked.

8. The high command in the Middle East had promised General Wilson seven divisions from Egypt and Libya and 25 squadrons of planes.

-3-

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He actually was given two divisions and ten squadrons with a total of 225 planes.

9. General Wilson also had been promised Yugoslav support which failed to materialize.

10. After the agreement between Germany and Yugoslavia had been completed by which the Germans were to have the use of railroads but were not to occupy the country, it came to light that Yugoslavia had made no military commitments to Britain. Germany then fostered the coup d'etat in order to have a pretext for invasion.

11. The change of government was so sudden that the Yugoslav army never got started in their opposition to the German invasion which went through the country at tearing car speed. As a result the concentration of the British army had not been completed when the Germans reached the Greek border.

12. The Hako-Greek war was a one-horse show led personally by Metaxas. With his death, leadership came to an end. The king is courageous but has no control of the political situation. The disastrous turn of events impelled the Prime Minister to commit suicide.

13. Lieutenant General Blenny under whose command the Australians fought in Greece and who is now Deputy Commander-in-Chief of the Middle East made the following statement to me: "The ineffectiveness of German bombing of convoys on the road revealed a remarkable ineffectiveness. Machine gun fire from fighter planes against motor convoys was effective, but neither bombing nor machine gunning compares in effect to the artillery concentrations of 1918. Immediate air support is a matter of absolute

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necessity to a commander in the field. The German air system is right and the British independent air force is wrong. I will not go into combat again unless I am able to give direct orders to the squadrons allocated to my support."

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 22, 1941

TO Secretary Morgenthau

FROM Mr. Kamarok

Subject: Summary of Military Reports

Crete

The British on May 19 (the day before the invasion) felt that the plans for the defense of Crete had been worked out in satisfactory detail.

For an advance from Syria on Suez, British Military Intelligence thinks that the Germans will need to seize Crete and Cyprus and neutralize the British Fleet in the Mediterranean. (This may overlook the fact that if Crete and Cyprus fall, Turkey may allow German use of her territory making possible a serious threat to Suez even without neutralization of the British Fleet.) (London, Military Attache, May 19)

Iraq-Syria

Under British pressure, Turkey has promised, as a gesture, to move a division to the Iraq border and one to the Syrian border around June 1.

Turkey refused to stop the use of Turkish railroads for carrying German equipment into Iraq. German artillery has been landed at Trebizond (Turkish Black Sea port) and transported to Iraq by truck. (London, Military Attache, May 19; Ankara, Embassy telegram, May 18)

German planes are based on Syrian airports (Aleppo, Beirut, Damascus, Palmyra) in operations over Iraq. Further reinforcements of planes and crews are arriving with the full cooperation of the French. There are at least 35 Heinkels (bombers) and Messerschmidts in Syria. (London, Military Attache, May 19; Ankara, Military Attache, May 19)

The French have five groups of airplanes in Syria (maximum 100-150 planes), consisting of Moranes, Martins, Potez 65's and other miscellaneous planes. (Ankara, Military Attache, May 19)

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Division of Monetary
ResearchRussia

According to the Yugoslav military attache in Moscow, the Chief of the Red Army stated that Russia will fight Germany later and is waiting for the United States to enter the war. The Soviet Government still distrusts England and suspects the Hess flight was an effort to turn the war against the Soviet Union.

The Japanese military attache, states that only 180 Soviet divisions have been actually identified with less than 100 fully equipped.

Germany turned over to Russia ten Junkers-52 (air transports) without motors. (Moscow, Military Attache, May 20)

The London War Office is increasingly inclining to the view that Russia has secretly agreed not to oppose any German operations in the Middle East. (London, Military Attache, May 19)

Africa

The Suez Canal is still closed. (It has been closed now since May 9. The cutting of this line of communications is most serious.) (London, Military Attache, May 20)

Military authorities in London feel that even with the complete conquest of Italian East Africa, it will not be possible to remove substantial British forces from this area "since it will be necessary to prevent a reoccupation by axis troops". (This reasoning is more than a little absurd since the only way axis troops could land in Ethiopia is from the air from bases hundreds of miles distant. The Ethiopians could easily handle any such air-borne invasion). London, Military Attache, May 19)

Far East

According to the British War Office, the Japanese have demanded all the rubber production in Thailand in exchange for oil. "It would be interesting to determine the expected source of the oil" (Thailand is a fairly important rubber source, producing about 40,000 tons a year.) (London, Military Attache, May 20)

Paraphrase of Code Cablegram
Received at the War Department
at 06:52, May 20, 1941

SECRET

By authority A. C. of S. G-2

Date MAY 21 1941

Initials

London, filed 11:37, May 19, 1941.

1. Iraq. The British forces in Habbaniya have been reinforced from the south. The Basra-Ashar district remains quiet.

2. After repeated British representations, Turkey has promised to move troops in the amount of approximately one division to the Iraq border and one to the Syrian border as a gesture only. The Government maintains that they will not be able to place them in position until the first of June. Turkey refuses to take any action with a view to preventing the use of railroads for forwarding German equipment into Iraq.

3. Syria. German planes based on Syria are continuing active operations over Iraq. Planes and gun crews are still arriving at airports and the French military authorities are granting them full cooperation.

4. Crete. British authorities here announce that plans for the defense of the island are in satisfactory detail and British Military Intelligence estimates that in order for any major land forces to operate on the line Syria-Suez it will be necessary for the Axis to seize both Crete and Cyprus and to neutralize the British Fleet in the Mediterranean.

5. Ethiopia. The surrender of the Italian troops at Amba Alagi leaves only three comparatively small concentrations of troops still to be eliminated. Some British forces can now be relieved for

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duty in Egypt. But military authorities do not expect that any substantial forces will be removed since it will be necessary to prevent a reoccupation by Axis troops.

6. The War Office increasingly feels that a secret agreement has already been consummated between Russia and Germany by which the former will not oppose any German operations in the Mid East. This is not yet accepted officially.

7. Libya. May 15. In the retaking of Capusso the Germans employed more than 40 medium and a number of larger tanks. Some of these were destroyed or damaged and 500 prisoners were taken by the British who, however, suffered the loss of 10 of their own infantry tanks.

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Paraphrase of Code Radiogram
Received at the War Department
at 23:55, May 19, 1941.

Athens, filed May 19, 1941.

The fact that there are movements of German troops from Bulgaria, Yugoslavia, and Greece to the north and northeast is now established. I am told by the general staff of the Turkish Army that Axis troop concentrations and their batteries threaten Turkish territory in Thrace. With regard to a radiogram from the Embassy numbered 195 and dated May 18: About ten pieces of artillery (light) and some horses, the exact number unknown, were also sent. The storage depots near Bagdad supplied the munitions. Traveling by air, about 35 Heinkel and Messerschmitts reached Syria. Aleppo, Beirut, Damascus, and Palmyra are the airfields now in the hands of the Germans. Also the landing fields at Hama. Troops are expected to arrive by air transport.

Among the other landing fields in Syria are Heli-Har, Hama, Bagdad, Tripoli. There is also a small field near Hama, Turkey. For a considerable area, the terrain is of a nature that facilitates easy landings.

The following French planes are in Syria: One group each of Morane and Martins; one miscellaneous; two groups of Potez 63. The British say that the oil refinery at Tripoli was in part smashed together with 170 tons of gasoline. They also say that the Germans have increased their artillery in mechanical divisions. The increase is from 24 to 36 pieces, 105 mm. howitzers. Attention is directed to Radiograms 131 and 195 from the Embassy, dated May 15 and 16 respectively.

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(G-2 Note: Embassy cablegram No. 135 reports the landing of German artillery at Lubianka and its transport overland by truck to Bag. Nos. 131 and 133 will be reported later.)

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and Derna, Libya. Also attacked was Calate, Isle of Rhodes. Fighters machine-gunned an enemy transport with considerable effect near Bares.

1. Iraqi Theater. R.A.F. planes in Iraq supported ground operations against Fallujah, which has been taken. Planes based in Palestine bombed a gasoline dump at Rayak airbase in Syria.

5. Axis Air Activity. Other Theaters.

2. Greek Theater. Twenty-seven Axis planes dive-bombed Suda Bay.

3. Iraqi Theater. German planes attacked combined British-Arab troops in Iraq, but there were no casualties.

6. Aircraft Losses. Other Theaters.

4. No British losses were reported.

1. During the bombardment of Suda Bay two German planes were destroyed.

7. There is a reliable War Office report that the Japanese have demanded all rubber production in Thailand in exchange for oil. It would be interesting to determine the expected source of the oil.

8. A submarine has torpedoed and sunk a British ship 900 miles west of Freetown.

9. The British have picked up a French ship with 1700 Indo-Chinese troops on board 300 miles south of Freetown, Sierra Leone.

10. The Suez Canal is only open at the south end now.

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Paraphrase of Code Collation
Received at the War Department
at 08:00, May 20, 1941

London, filed 14:37, May 20, 1941.

1. British Air Activity over the Continent.

a. Day of May 18. Activity on this day consisted of attacks on enemy shipping by planes of the Coastal Command.

b. Night of May 18-19. Seventy heavy bombers of the R.A.F. attacked the naval yards at Kiel, seven bombers attacked Hamburg, Bremen, Niden, and four unnamed airdromes on north Germany. The docks at Cherbourg were attacked by planes of the Coastal Command.

2. German Air Activity over Britain.

a. Night of May 18-19. Activity on this night was slight and dispersed. Several planes were over East Anglia, Cornwall, Devon, Lyme Bay, Crystal Channel and the Thames Estuary.

b. Day of May 18. Considerable reconnaissance over Tor Bay and Brinn, England, and Dundalk and Belfast, Ireland. Patrols also operated over the straits.

3. Aircraft Losses. British Theater.

a. During the British operations over the Continent, night of May 18-19, there were no losses.

b. During the German operations on the day of May 19, British fighters destroyed five planes.

4. British Air Activity. Other Theaters.

a. Eastern Theater. Planes of the Royal Air Force based in Egypt continued their attacks on enemy-occupied airdromes at Apollonia, Bengasi

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**Paraphrase of Code Radiogram
Received at the War Department
at 9:55, May 20, 1941**

Moscow, filed May 20, 1941.

Yugoslavia Military Attache stated that Chief of the Red Army said to him the Soviets will fight Germany later and are waiting for the United States to enter war, and that the Soviet Government distrusts England and suspects Hess flight as effort to turn war against U.S.S.R. German Air Attache stated that Germany turned over to the U.S.S.R. ten Junkers-52, without motors. Japanese Military Attache states that only 160 Soviet divisions actually identified with less than 100 fully equipped.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 23, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Weekly Military Report: The Accuracy of British Military Forecasts

Judging from the record of the past nine months, it is possible to reach some tentative conclusions on the accuracy of the estimates of the situation made by British military leaders.

On the whole, the British military leaders have shown themselves to be fairly accurate prophets in their forecasts of what the axis was going to do. They have been over-optimistic in their judgments of what they themselves and their allies could do. There is only one British estimate of what Russia was going to do and that proved completely inaccurate.

The following lists the forecasts of the British military as they were reported to us.

The Invasion of England

September 5, 1940	The British have not discovered any indication of impending invasion.
September 13	German plans for invasion are now complete. Next week will be the critical period. It is probable that the German invasion will be along the axis Calais-Dover-London.
September 23	There is no evidence of an immediate invasion.
October 28	There is no indication of impending attack.
December 4	After Christmas, the danger of invasion will practically vanish because of rough water in the Channel.

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Division of Monetary
Research

January 19, 1941 All reports indicate that the Germans will attempt the invasion sometime in the spring. February is the earliest date referred to.

March 16 There are no indications that an invasion attempt will be made in the near future.

April 17 There is evidence that the German staff is again planning invasion of Great Britain which British Military Intelligence estimates will be about the first of May.

War in the Balkans

October 28, 1940 Germany will not go to war in the Balkans but will use the coming winter to bore from within.

February 23, 1941 German troops will probably arrive in Sofia, Bulgaria, on or about the first of March. (They arrived about March 5)

March 14 Germany is holding back in order to see if the Italian army in Albania can take care of the Greeks there. If the Greeks continue to be successful, it is thought the Germans will move through Yugoslavia with the intention of hitting at Salonika and at the same time cutting off the Greeks in Albania. (This is just about what the Germans did do.)

Road conditions and the terrain in the Balkans theater give an advantage to the British and Greek defenders since the operation of mechanized forces in this area would be greatly hampered.

March 16 Germany plans to bring an end to the fighting in the Balkans by April 1, either by military operations or through negotiations. (This could be correct since the Yugoslav coup d'etat upset German plans.)

March 21 Negotiations between Yugoslavia and Germany will reach a crisis on March 23 or 24. (The axis pact was signed March 25)

March 21 Turkey will be willing to consider an attack on Greece by Germany as a cause for war provided Yugoslavia is willing to do the same.

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Division of Monetary
Research

April 3, 1941

On April 5, Yugoslavia and Greece will be subjected to simultaneous attack. (The attack started April 6)

April 15

General Kennedy, Director of Operations, War Office, expressed little hope of any immediate success in the Balkans, especially in regard to the Yugoslavian Army. Nevertheless, he hoped that it would be possible for them to continue their defense for a minimum of thirty days. (The Yugoslav campaign was practically over as General Kennedy spoke.)

Middle East

April 10, 1941

There is evidence that the German advance on Egypt is losing force and that the German situation in regard to supplies is serious. (The advance stopped a few days later.)

May 1

The next German move will be an attempt to seize Crete and occupy Spain and Portugal. (Crete was attacked on May 20)

May 11

The British Air Ministry believes no German planes can arrive in Iraq this month. (Nazi planes were in Iraq on May 14.)

Far East

September 24, 1940

It is believed that Japan and Germany have come to an agreement in the Far East regarding loot and common policy and this may be announced shortly. (Tri-partite pact was announced September 27.)

Russia

January 15, 1941

The indications are that Russia will occupy Eastern Moldavia in Romania in accordance with a prearranged agreement with the Germans.

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 23, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports

Crete

(The situation in Crete has reached the critical stage. British prospects in Crete at the present time look very dark. With the German undisputed command of the air over the island and the German capture of several airports, it is doubtful whether the British will now be able to hold the island.)

In the bombing attack on May 19, preliminary to the invasion, the bombing was so heavy that all personnel had to take cover in slit trenches for the day. The Air Force headquarters began burning its papers on May 20, the day the invasion began. (Cairo, Military Attache, May 20)

The British garrison in Crete consists of the greater part of the New Zealand division which was in Greece and 4,000 marines. (This would give a total of about 15,000 soldiers, probably lacking heavy equipment and without air support. In addition, there may be as many as 20,000 Greek soldiers.) (M.I.D. Situation Report, May 22)

Spain

German troops began to return to France about May 10 with the concentration of troops on the Spanish frontier continuing. The reserve troops in this area are being relieved by shock troops. There are now 6 German divisions in this sector (3 infantry, 2 motorized, 1 armored). (Vichy, American Ambassador, May 20)

The Spanish grain harvest has begun. This suggests June 20 as the earliest convenient date for the passage of German troops through Spain. (M.I.D. Situation Report, May 21)

SECRET 194

By authority A. C. of S., G-2

Date MAY 22 1941 EPH
Initials

Paraphrase of Code Cablegram
Received at the War Department
at 07:30, May 21, 1941.

Cairo, filed 20:30, May 20, 1941.

1. The following is a summary of the situation in
Crete.

2. In the attack of May 19, bombing was so heavy that
all personnel was forced to retire to slit trenches for the whole
day. At British headquarters, the Air Force is now burning docu-
ments.

3. The attack by parachute troops and gliders began
at 06:00, May 20, and was supported by uninterrupted bombing and
machine-gunning of ground troops. It commenced at Suda Bay,
Malmei and Heraklion, but spread out later in the day as gliders
towed by planes landed at Ritsa.

4. Authorities here report that a Junker's 52 can
carry 15 infantrymen, or can tow several small gliders carrying
10 to 12 each, or one big glider with 24.

5. The attack of May 20 was preceded on the previous day
by uninterrupted bombing and strafing of air and ground troops in
the area surrounding Cana.

PELLERS

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Paraphrase of Code Radiogram
Received at the War Department
at 9:07, May 21, 1941.

Vicky, filed May 20, 1941.

German troops began to return to France about May 19 and movement now shows a little increase. In southwest portion of occupied territory, reserve divisions have been relieved by shock troops and concentration continues. Estimated that 3 Infantry, 2 motorized and 1 armored divisions are now in that area.

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G-2/2657-220; No. 398 M.I.D., W.D. 12:00 M., May 22, 1941.

SITUATION REPORTI. Western Theater.

Air: German. Minor offensive activity and no night raids.

British. Day attacks on Helgoland and northern France which were severely mauled by fighters. Apparently no activity last night.

II. Greek Theater.

The German attack on Crete continues. The Malemi airfield, to the west of Canea, is in German hands. Other German air landings have occurred near Rethymo and Herakleion (Cordia). The latter town is in German hands.

The British garrison on Crete consists of the greater part of the New Zealand Division, which was engaged in Greece, and 4,000 Marines.

German air superiority over Crete is self-evident. The British are bombing German take-off airdromes in Greece.

III. Mediterranean and African Theaters.

Ground: North Africa. No change.

East Africa. The British have occupied Tohen, in the northeast corner of Italian Somaliland.

Air: Axis attacks renewed on Tobruk. Malta was raided.

IV. Middle Eastern Theater.

Ground: No change in the situation. British motor-borne reinforcements are reaching Habbaniyah from Palestine.

Air: German air strength is gradually building up.

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TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE May 31, 1941

TO Secretary Morgenthau

FROM Mr. Kamarck

Subject: Summary of Military Reports for the Week Ended May 31

British Navy

British naval authorities state that the risk of passage of convoys through the Straits of Sicily is too high in proportion to the advantages. This is in spite of the fact that the last convoy brought tanks and planes which were desperately needed in Egypt. (Cairo, Military Attache, May 23)

In view of its losses around Crete (up to now three cruisers, four destroyers) the British Navy asserts that it is folly to pursue its operations in Cretan waters. (Cairo, Military Attache, May 23)

(The foregoing two reports are important in their implication that the activities of the British fleet in the Mediterranean are going to be greatly limited in the future. With the growth in strength of German air power in the Central and Eastern Mediterranean, the British fleet will probably not be able to make more than raiding sallies into the Central Mediterranean except at the risk of great losses.)

Hess

(Hess landed in England three weeks ago. The British have not yet made available to our military representatives any information on the purpose of his arrival. Under these circumstances, the suspicion grows stronger that the Deputy Fuehrer traveled to England to contact a British appeasement element.)

Syria

The British, according to our Cairo military attache, do not look with favor upon a Free French Syria. This is supposed to be because the Vichy French are being concentrated in southern Syria rather than moving into Lebanon. (Cairo, Military Attache, May 23)

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Division of Monetary
Research

(Concentration in Lebanon along the coast would mean a threat to Palestine. Concentration in southern Syria presumably menaces only the desert of Trans-Jordan.)

Turkey

Romanian officials believe, and this belief is accepted by our Romanian attache, that a secret agreement already exists between Germany and Turkey. (Bucharest, Military Attache, May 22)

Egypt

The R.A.F. in Egypt has been reinforced by two Beaufighters and forty-three Hurricanes which flew from England by way of Malta. (Cairo, Military Attache, May 23)

Russia

The German preparations against Russia appear to have eased off. The bulk of German troops on the Romanian-Russian frontier are now reported to be moving north out of Moldavia into Bukovina. (Bucharest, Military Attache, May 22)

Romania

The Germans are not making any attempt to train or organize the Romanian army. In case of a war against Russia, the Romanians would merely act as scavengers of the battlefield. (Bucharest, May 22, 1941)

Spain

According to Rome sources, the size of the wheat crop in Spain largely will determine whether the Spaniards will allow any passage of German troops. For if Spain permits such a movement the British will cut off the movement of wheat supplies to Spain. A bumper wheat crop is not expected. (The Spanish wheat harvest is supposed to be over by about June 20) (Rome, Military Attache, May 23)

SECRET

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By authority A. C. of S., G-2

Date **MAY 27 1941** (*Jo*)
Initials

Paraphrase of Code Cables
Received at the War Department
at 05:58, May 25, 1941.

Cairo, filed May 25, 1941.

1. Having lost five destroyers and one cruiser British Navy asserts that it is fully to pursue its operations in Creten waters.
2. The destroyer on which the King of Greece was crossing from Crete to Egypt is overdue.
3. The armored divisions were embarked at Greek ports for unknown disembarkation points some time before May 19.
4. May 22: One destroyer and two large freighters with a great many Greek fishing boats amounting in all to possibly one half of a convoy were sunk in action with British naval units. (G-2 Note: This is evidently the convoy reported in cable of May 22 as having 30 ships.)
5. May 22: One hundred large air transports landed at the Malindi airfield at the rate of one every five minutes. The same rate and numbers were observed throughout May 23. It is the opinion of British Military Intelligence that one air-borne division was engaged in the operations at Malindi.
6. May 23: Two Bombarfights and 45 Hurricane flew from England to Cairo by way of Malta.
7. The British do not look with favor upon a Free French Syria as they are of the opinion that the Vichy French are not moving into Lebanon but are being concentrated in southern Syria.
8. Seven motor vessels were observed headed in a southerly direction off Tunis.
9. British naval authorities commenting upon the recent successful passage of the convoy through the Straits of Sicily state that the risk is

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out of all proportion to any possible advantage, notwithstanding the fact that this convoy was loaded with tanks and planes which the forces operating in Egypt needed desperately.

19. May 21: Five out of seven Blenheim were shot down making a daylight level bombing attack at an altitude of 5,000 feet without fighter convoy. In the recent attempt to seize Gassas the British accidentally bombed their own troops.

REMARKS

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