

[Exhibit 1G]

SECRET

HEADQUARTERS HAWAIIAN DEPARTMENT,
OFFICE OF THE DEPARTMENT COMMANDER,
Fort Shafter, T. H., July 28, 1941.

VIA "CLIPPER" AIR MAIL

Engr. 600.12 (Gen.)

Subject: Revolving Fund for Purchase of Materials.

To: The Adjutant General, Washington, D. C.

1. The delay in securing necessary materials for our construction program has become a matter of serious concern. Experience indicates that from three to four months are necessary to procure construction materials from the United States after funds for projects are allotted, and increasing transportation difficulties may lengthen this time.

2. The following is the situation of the two constructing agencies:

a. The District Engineer has no revolving fund for advance procurement of materials. Among the first Engineer projects approved, however, were two large projects; one the additional ammunition storage facilities, and the other the Air Corps mobilization housing. As soon as these allotments were received, the District Engineer immediately ordered all or a large part of the necessary materials to complete the entire project. With his construction crews now well organized, the rate of using these materials has greatly accelerated and the stock is being depleted because the rate of use is greater than the rate of arrival from the mainland.

b. The Constructing Quartermaster is in somewhat the same situation. While the Quartermaster General has authorized the establishment of a stock pile of lumber, no funds have been advanced for the procurement of other materials. These other materials are not available for local purchase in any appreciable quantities, and as a result, there will undoubtedly be delays.

3. I understand that the Division Engineer, San Francisco, has recommended to the Chief of Engineers that a revolving working fund of \$1,000,000.00 be allotted to the District Engineer, Honolulu, to permit that officer to procure materials in advance. This fund would be a revolving fund. All expenditures from it for materials would be reimbursed from other projects funds as these projects were approved and utilize the materials.

4. I think that this materials situation may become critical. As stated in previous communications, a large part of our construction forces have been imported from the mainland on contracts which require either their continued employment or return to the mainland at Government expense. It is obvious that if there is any lack of materials not only will the jobs be delayed, but also the cost to the Government will be increased. I therefore strongly recommend that the suggestion of the Division Engineer, San Francisco, be adopted, that the District Engineer, Honolulu, be allotted a revolving fund of \$1,000,000.00, and that similar arrangements be made for the Constructing Quartermaster to permit him to stock materials in addition to lumber.

(s) Walter C. Short,
WALTER C. SHORT,
Lieutenant General, U. S. Army,
Commanding.

Subject: Revolving Fund for Purchase of Materials.

AG 600.12 Hawaiian Dept. 1st Ind.

ET/rm

(7-28-41) MO

WAR DEPARTMENT, AGO,
August 1, 1941.

To: Chief of Engineers AND The Quartermaster General, IN TURN.

For remark and recommendation.

By order of the Secretary of War:

Adjutant General.

A true copy.

Edward von Geldern,
EDWARD VON GELDERN,
2nd Lt., P. A.

400.31 (Honolulu) 335.

Subject: Revolving Fund for Purchase of Materials.

2nd Ind.

OFFICE, C. OF E.,
August 7, 1941. 3-N

To The Adjutant General (Through The Quartermaster General.)

It is recommended that a revolving fund of \$1,000,000.00 be authorized for the purposes indicated in the basic letter. If the necessary funds are not available to the War Department from any other source, it is believed that this amount could be advanced from the Fifth Supplemental, 1941, Deferred Storage Program, (Air Corps), Items *a* & *b*, Parking Storage Areas, Reserve Airplanes. As a final resort, the sum of \$1,000,000.00 now reserved for construction at the Mobile Air Depot, (Brookley Field) could be advanced for this purpose. In either case, reimbursement should be effected upon the appropriation of funds for construction in Hawaii under the 1943 Construction Program.

For the Chief of Engineers:

(s) John R. Hardin,
JOHN R. HARDIN,
Major, Corps of Engineers,
Chief, Construction Section.

A true copy.

Edward Von Geldern
EDWARD VON GELDERN,
2nd Lt., F. A.

20 AUGUST 1941.

FRED W. HERMAN,
Lt. Col., Corps of Engineers,
Assistant Dept. Engineer.

THE ADJUTANT GENERAL,
Washington, D. C.

Reference clipper letter this headquarters July twenty eighth file Engr six hundred point one two parenthesis gen period parenthesis subject revolving fund for purchase of materials Stop Information has been received from district engineer Honolulu that allotment of one million one hundred thousand dollars has been received which can be utilized for advanced purchases of materials as recommended in letter cited Stop Constructing quartermaster has not repeat not received similar allotment as revolving fund to permit advance purchases of materials nor any information thereof Stop Strongly recommend revolving fund allotment similar to that established for district engineer be made to constructing quartermaster to permit advanced ordering of materials for defense contracts

SHORT

A true copy.

Edward Von Geldern,
EDWARD VON GELDERN,
2nd Lt., F. A.

QM 411.1 C-P
(Hawaiian Dept.)

3rd Ind.

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL,
Washington, D. C., August 21, 1941.

To: The Adjutant General, Washington, D. C.

1. The Quartermaster Corps has established a stock-pile reserve of lumber in Hawaii in the amount of \$600,000.00. It is therefore recommended that a revolving fund in an amount not to exceed \$500,000.00 be authorized. If the necessary funds are not available to the War Department from any other source, funds in allotted status to the Quartermaster Corps can be made available.

For the Quartermaster General:

(s) L. R. Groves,
L. R. GROVES,
Colonel, Q. M. C.,
Assistant

A true copy.

Edward von Geldern,
EDWARD VON GELDERN,
2nd Lt., F. A.

Subject: Revolving Fund for Purchase of Materials—Hawaiian Department
 AG 600.12 Haw. Dept.
 (7-28-41) MO-D

4th Ind.

ESA

WAR DEPARTMENT, AGO.

September 27, 1941.

To the Commanding General, Hawaiian Department, Fort Shafter, T. H.

The establishment of revolving funds as requested in basic communication is not favorably considered. The Quartermaster General will, however, augment the lumber stock pile now maintained in the Hawaiian Department sufficiently to meet requirements for War Department approved projects for both Engineer and Quartermaster construction. A similar stock pile of other classes of construction materials will also be established by The Quartermaster General without delay. The materials used from these stock piles will be replaced from applicable funds of projects for which used as soon as such funds become available to local constructing agencies.

By order of the Secretary of War:

 Major General,
 The Adjutant General.

A true copy.

Edward Von Geldern,
 EDWARD VON GELDERN,
 2nd Lt., F. A.

HEADQUARTERS HAWAIIAN DEPARTMENT,
 OFFICE OF THE DEPARTMENT COMMANDER,
 Fort Shafter, T. H., September 13, 1941.

In reply refer to: Engr. 600.12 (Gen.)

Major General R. C. MOORE

Deputy Chief of Staff, War Department,
 Washington, D. C.

DEAR DICK:

The situation surrounding the obtaining of materials for defense contracts is becoming more and more critical. On many items a delay of between three and four months occurs between the time an allotment of funds for a project is received and the materials necessary are obtained from the mainland. We have recently received word on some electrical equipment which indicates that delivery cannot be made for six months.

In a conference with Colonel Hannum, Division Engineer in San Francisco, when he was here sometime ago, he mentioned that he had recommended to The Chief of Engineers that a revolving fund of \$1,000,000.00 be set up to permit the District Engineer to make advance purchases of materials and plant. I followed up Hannum's recommendation to the Chief of Engineers with a strong letter to the War Department urging that this revolving fund be set up for the District Engineer and that similar arrangements be made for the Constructing Quartermaster. The District Engineer informed me today that he had received an allotment of \$1,100,000.00 from the Chief of Engineers which could be utilized for the advance purchase of materials. The Constructing Quartermaster, however, has not yet received similar information, and while he is authorized to stock lumber locally, he has no revolving fund for which to make advance purchases of materials other than lumber.

I am following up my previous recommendation by radio to The Adjutant General today. I think that the matter is sufficiently important to bring it to your attention, and I will appreciate it if you would have someone look into this matter. A copy of my letter of July 28th and of the radio follow up of September 13 are inclosed for ready reference.

Very sincerely,

WALTER C. SHORT,
 Lieutenant General, U. S. Army, Commanding.

2 Incls: Cy. ltr. Engr. 600.12 (Gen.) 28 Jul 41, Cy. rad. 20 Aug 41.

A true copy:

Edward Von Geldern,
 EDWARD VON GELDERN,
 2nd Lt., F. A.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, September 29, 1941.

Lieutenant General WALTER C. SHORT,
Headquarters, Hawaiian Department, Honolulu, T. H.

DEAR WALTER:

I have your letter of the thirteenth relative to the establishment of revolving funds in connection with construction in Hawaii.

Owing to legal restrictions we cannot approve your request for revolving funds. However, it appears that the wording of the appropriation from which the Quartermaster General maintains the lumber pile you mention is such that those funds may be used to make advance purchases of other materials required for construction.

The Quartermaster General will take immediate measures to establish a stock pile of construction materials other than lumber, sufficient to meet requirements for both Engineer and Quartermaster construction. The conditions under which these stock piles will be reimbursed will be covered in the reply of the War Department to your official request of July 28, 1941.

The Chief of Engineers advises that the allotment of \$1,100,000 made to your District Engineer, to which you refer, is from funds now available for approved projects. This allotment should not be construed as making these funds available to you as a revolving fund, nor for advance purchase of materials, except for the projects to which the funds apply.

I believe that when these stock piles have become established the situation you outline will be greatly relieved.

Sincerely yours.

[S] R. C. Moore,
R. C. MOORE,
Major General, Deputy Chief of Staff.

A true copy.
Edward von Geldern,
EDWARD VON GELDERN,
2nd Lt., F. A.

[SECRET]

[EXHIBIT I H]

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, November 27, 1941.

Air Mail via Clipper

Lieutenant General WALTER C. SHORT, U. S. A.,
Headquarters Hawaiian Department, Fort Shafter, T. H., Office of the Department Commander.

DEAR SIR: The copy of your report on the additional air routes has been received. The quantity of details requiring coordination, and the distances involved in the projects make the short time consumed in getting nothing almost unbelievably short.

I extend you my personal thanks for the effort you have expended on this job and the results you are getting.

The way things are working out now, it looks as if we will be using trans-Pacific always almost continuously from now on. Our planes are O. K. for 4-engine bombers, but what are the prospects for medium bombers? Do you think we should even study that phase of trans-Pacific operations?

Best regards,
Sincerely,

[S] H. H. AUSTIN,
Major General, U. S. A.,
Deputy Chief of Staff for Air.

A true copy:
Edward Von Geldern
EDWARD VON GELDERN,
2nd Lt., F. A.