

Exhibit No. 55

CONFIDENTIAL

OPROC MD 2/7/41

(SO)N20-12

Serial 02890

FEB. 11, 1941.

From: The Chief of Naval Operations

To: The Chief of the Bureau of Ordnance

Subj: Experimental and Development Work on Nets and Booms

R.F: ALUNNA London Dispatch 041925 of February 5, 1941

1. Ref. (a) requested information concerning all prototyping experimental and development work on nets and booms done by the U. S. Navy since March 1940.

2. As far as this Office is aware, no such work has been done other than the making of minor modifications to the Admiralty designs. It is considered that experimental and development work should be undertaken. If necessary, additional personnel for this purpose should be secured.

3. There appears an urgent need for an anti-torpedo net which can be laid and removed in certain harbors in a short time for temporary use, and which will give good if not perfect protection from torpedoes fired from planes. The present Admiralty type net is designed to withstand torpedoes armed with cutters, and its appearances are very heavy. A lighter net which will stop a torpedo not armed with cutters would furnish some protection, especially against torpedoes which would explode on contact with a metal net.

4. Effort should be made to reduce the weights of the present Admiralty nets and booms and their appearances without reducing their efficiency in order that they may be more readily handled. As a beginning, it is also suggested that plans be made to test sections of the old A/S net and of the new, as well as indicator nets, by attacking submarines. While such tests may duplicate British experiments, valuable lessons may be learned. It is requested that this Office be kept informed of development work and all tests and experiments conducted with nets and booms.

/s/ H. R. STARR.

EXHIBIT No. 57

NAVY DEPARTMENT,
OFFICE OF CHIEF OF NAVAL OPERATIONS,
OFFICE OF NAVAL INTELLIGENCE,
Washington, December 1, 1941.

Confidential

Copy No. 83
Serial No. 25

FORTNIGHTLY SUMMARY OF CURRENT NATIONAL SITUATIONS

(Information concerning Anti-Axis Belligerents is omitted from this publication due to its wide dissemination by mail.)

Because of the CONFIDENTIAL nature of the sources from which some of the information embodied in the text of this publication issues, and because of the CONFIDENTIAL channels through which it is transmitted to the Division of Naval Intelligence, it is appropriate to invite particular attention to the CONFIDENTIAL character of this publication.

T. S. Wilkinson,
T. S. WILKINSON,
Captain, U. S. Navy,
Director of Naval Intelligence.

[1] *Confidential*Serial No. 25.
December 1, 1941

FORTNIGHTLY SUMMARY OF CURRENT NATIONAL SITUATIONS

A. *The Diplomatic Situation*1. *Japan.*

Unless the Japanese request continuance of the conversations, the Japanese-American negotiations have virtually broken down. The Japanese Government and press are proclaiming loudly that the nation must carry on resolutely the work of building the Greater East Asia Co-prosperity Sphere. The press also is criticising Thailand severely. Strong indications point to an early Japanese advance against Thailand.

Relations between Japan and Russia remained strained. Japan signed a five-year extension of the anti-comintern pact with Germany and other Axis nations on November 25.

2. *Germany.*

Members of the German Armament Commission in Casablanca are now authorized to wear uniforms and make arrests. General Schultheiss of the Air Force, Head of the Commission, is reported to favor a German military occupation of Morocco.

There is evidence that Germany, now virtually in control of the governments of Spain and Portugal, has impressed upon these governments the necessity of maintaining friendly relations with the United States and with Britain. It is Germany's expectation that such a policy will increase the resources of these two countries with materials which eventually can be turned against those who have supplied them.

Turkey still is being subjected to diplomatic pressure to join the Axis or "take the consequences." Germany's representations have had no apparent effect.

According to a press report from Berlin, seven more nations have signed the anti-comintern pact. The new signatories are Finland, Denmark, Bulgaria, Croatia, Slovakia, Rumania, and the Nanking Government in China. This pact should not be confused with the Tri-Power Accord of which Germany, Japan and Italy were the original signatories and to which Rumania, Hungary, Bulgaria and Yugoslavia subsequently adhered.

[2] 3. *Italy.*

The repurchase of war materiel sold to Italy by the French is now the subject of conversations being held by a French delegation which arrived recently in Rome. These conversations were initiated by Italy and were based on Italy's urgent need for foreign exchange. These negotiations are not expected to meet with particular success.

The visit of the German Minister of Economics (Dr. Funk) to Rome on October apparently was motivated by the serious concern felt by Germany over the steady climb in Italian prices of exports to Germany. Dr. Funk threatened to raise the price of coal shipments to Italy, but it was agreed finally that Italy would not raise prices, and that Germany would increase the yearly exports of coal to Italy from the twelve million tons previously agreed upon to eighteen million tons. Previous shipments of coal from Germany barely reached two-thirds of the Italian national requirements. This was demonstrated by the recent laws restricting heating this winter.

4. *France.*

France moved a step closer to the "new order" in Europe on November 18 when Marshal Petain, under continued pressure from Berlin and the pro-collaborationist elements within the Vichy government, announced the "retirement" of General Maxime Weygand as delegate-general and military commander of French North Africa. That strategic area henceforth is to be administered from Vichy under the direct control of Vice Premier Darlan. Lieutenant General Alfonse Juin, until June of this year a prisoner of war of Germany and later commander of French troops in Morocco, succeeds Weygand as military commander in North Africa. The military command of French West Africa goes to General Jean Barrau, formerly in command of troops at Dakar. Vice Admiral Fenard was named permanent Secretary General of French Africa, and Yves Chatel is the new Governor General of Algeria. Additional concessions to the Germans may be announced following the meeting of Petain and Darlan with Reichsmarshal Goering which is scheduled for the near future. There are indications that this meeting may be followed by a conference with Adolph Hitler, with the possible attendance of Premier Mussolini.

[3] The Reich is said to be attempting to persuade Vichy to provide naval convoys for Italian supply vessels and to have requested that French Army divisions replace Nazi troops between Nantes and Irun. Germany meanwhile, is reported to have cut the occupation cost levied against France from \$8,000,000 to \$6,000,000 a day, retroactive to May 10, 1941.

France's concern over the situation in Africa is manifested by the sudden departure from Vichy of Admiral Platon (Minister of Colonies), General Bergeret (Air Secretary) and Admiral Auphan (Chief of the Naval General Staff) to inspect the defenses of North and West Africa. During the absence of Platon and Bergeret, Admiral Darlan will act as interim Secretary of Colonies and Air. Additional powers have been granted Darlan by placing under his National Defense Ministry all services under the Franco-German armistice formerly administered by the War and Foreign Ministries.

Following the dismissal of General Weygand, the United States Department of State announced that trade with North Africa would be suspended and that Franco-American relations were to be studied in the light of the new developments. At the same time American lend-lease aid was extended to the Free French of General Charles de Gaulle.

On November 26, General Catroux (Free French Commander in Syria) proclaimed the independence of Lebanon and the termination of the mandate in the name of France. The new government will be headed by President Alfred Macache.

France is understood to have protested to the Japanese government over the size of the mission, numbering 350 political and economic experts, accompanying Kenkichi Yoshizawa, new Japanese Ambassador to French Indo-China.

Despite rumors of capitulation, the situation in French Somaliland remains unchanged. The Paris radio announced on November 21 that the colony could not hold out longer than four to six weeks under the continued British blockade.

[4] 5. *Latin America.*

Mexico.

President Roosevelt has nominated the present Ambassador to Cuba, George S. Messersmith, to succeed Josephus Daniels as Ambassador to Mexico. The new British Ambassador to Mexico, Charles Bateman, is expected to arrive in mid-December, which is about the same time that Messersmith probably will take up his new duties.

The State Department announced an agreement has been reached with Mexico providing: (1) The settling of a final fair price for American properties taken over in 1933, through experts or through further diplomatic negotiations. Mexico tendered \$9,000,000 in advance as a token payment. (2) General and agrarian claims comprised, Mexico to pay \$40,000,000 in full settlement. Mexico has already paid \$3,000,000 on these claims and will pay \$3,000,000 upon exchange of ratifications of the conventions covering them. The remaining \$34,000,000 is payable at the rate of \$2,500,000 annually. (3) A reciprocal trade agreement to be negotiated at once. (4) The United States will provide a \$40,000,000 stabilization fund to maintain the peso at its present rate. (5) The United States will purchase up to 6,000,000 ounces of newly-mined Mexican silver monthly.

The Export-Import Bank has established a \$30,000,000 credit for the development of roads and highways. The credit will be available in yearly increments up to \$10,000,000 over a three year period. The Mexican Government guarantees payment unconditionally; and additional security is provided, in the form of highway bonds, payable from the Federal gasoline tax.

Costa Rica.

President Calderon has repeated his offer of landing fields, air and naval bases to the United States, as free measures of hemispheric defense.

El Salvador.

Pro-Axis Chief of Police Colonel Merino has been replaced by pro-Ally Colonel Monterrosa.

Little progress is noted in the new government of Panama towards consolidation of its gains. The second designate to the presidency is named Minister to Washington; the third designate, Anibal Rios, is in Colombia, and will be arrested if he returns to Panama, where a number of his supporters have been jailed. Key positions still are occupied by Ariaristas, although there is a cordial disposition to cooperate with the United States. The extreme nationalistic laws passed by Arias are not repealed, but already their application is lapsing. The government is unlikely to do anything that will frighten off U. S. tourist or business dollars.

Argentina.

There are many indications that a secret understanding as to the joint defense of the Straits of Magellan has been established between Argentina and Chile. The recent death of the President of Chile probably will reopen discussions on defense in that area. There have been expressions of annoyance on the part of high Argentine officials over staff discussions between the United States and countries adjacent to the Argentine, and over the U. S. lend-lease aid promised to Paraguay, Uruguay and Brazil. The view is held that the Argentine is an interested party to all such discussions and dispositions.

A new political party, of Fascist character, called *Patria* has been launched in Buenos Aires by the pro-Axis Manuel Fresco. Observers note a new student's party, or "Young Argentine" party, in process of formation. It is a coalition of radical nationalist groups.

German influence in the Argentine is very low, the Russian war having alienated many former supporters. There is demand for a more vigorous attitude toward the Axis than that exhibited by Vice-President Castillo, and an intensification of the Taborda Committee activities may be expected.

While there are no immediate signs of trouble in the Argentine, the next few weeks will be critical. The conscripts are finishing their military service and returning home. Justo, always a dubious factor in [6] politics, seems firmly in control of the Army. In the Senate, the nationalists and the Democratic factions have reached an impasse. A coalition of nationalist—or totalitarian—factions, under a strong leader, probably would mean the overthrow of the present government.

Brazil.

During the period under review there have been some alarming reports from various sources in Brazil, forecasting trouble between Vargas and the explosive elements in his government. To date, however, nothing serious has occurred. Brazil is meeting, with some hesitation, her commitments in hemisphere defense, and cooperating in the movement of U. S. troops to *Surinam* by sending a military mission to *Paramaribo*, and strengthening her border forces in that area. Currently, General Goes is denouncing U. S. aims as imperialistic in South America, and his good faith in staff discussions should be accepted with grave reservations.

Chile.

The sudden death of President Aguirre Corda, from a bronchial affection, has caused considerable unrest in Chile, and responsive uneasiness in that country's neighbors. Don Tinto as he was affectionately called, because of the red wine for which his vineyards were famous, headed the only popular front government, but was generally regarded as a friend to Democracy. He has preserved for some years an uneasy equilibrium between highly antagonistic and immoderate factions. His successor pro tempore is a noted conciliator. Most observers believe that the government will remain stable during the sixty-day period before the election of a new President.

Colombia.

The Colombian Senate has rejected the U. S. Black List of Axis firms in the Western Hemisphere, on the grounds that, in a matter of such mutual interest to the American Republics, all their governments should have been consulted.

The Colombia press condemns articles on the country by Benjamin Welles and John Gunther, terming them "Ambassadors of Ill-Will." It is not realized [7] in the United States to what a high degree the Latin-American press is sensitive to criticism of national custom and usage. The sum total of U. S. literary comment on the Latin Americas is undoubtedly harmful to Pan American accord.

Bolivia.

A U. S. Army Air Mission has been established in *La Paz*.

Ecuador.

The notorious and able Dr. Kuhne, suspected Nazi-agent in Quito, has been banished to a small town on the Ecuador-Colombian border, because of attention focused on him by the writer John G. Gunther.

Peru.

Early in the period observers in Peru reported widespread popular resentment over Peru's failure to receive certain airplanes and material, embargoed by the U. S. Department of State pending settlement of the Ecuador-Peru border dispute. Concessions have been made in the procurement of non-combatant types, and the excitement is subsiding. Affairs on the border are quiescent.

In Lima, the Aprista Party announces the possibility of the resignation of President Prado, because of popular dissatisfaction with the border situation.

General Ureta, the hero of the Ecuadorean war, is a strong Presidential possibility, but he is said to have no desire to gain the office by unconstitutional means. Ureta is pro-U. S. and anti-Axis.

General.

The ABC countries at large are showing signs of disillusionment and exhausted patience in the matter of lend-lease material. Much has been promised; almost literally nothing has been sent. Some deliveries, even token deliveries, would have a happy effect at this time.

[8] *Trends.*

Military and Naval.

Mexico.—The naval budget for 1942 has been set at 35,000,000 pesos, or about \$8,000,000. This is twice the 1941 budget.

South America.—Nothing to add to summary of November 15.

Economic.

The period under review has been characterized by numerous complaints in the press of the American Republics, and in reports from various local sources, over the growing dearth of materials essential to the support of industries. Deprived of European export markets, the American Republics look to the United States for a variety of heavy materials, neither produced nor manufactured south of the Rio Grande. Immediate obstacles are: The matter of priorities, and the availability of shipping. Here, as in the lend-lease military and naval material, the patience of the Latin-American is about exhausted, and their confidence in U. S. good faith is deteriorating. Few Latin Americans appreciate the magnitude now of the demands upon U. S. industry. Aids to Britain, to Russia, and to China, and confusion in U. S. production, are widely advertised. Opponents to U. S. and to Pan American policies are alert to take advantage of current circumstances. As a measure for the future, no less than for immediate benefit, the allotment to Latin American trade of certain priorities, however limited, and of shipping, appears urgently desirable.

[9] *B. The Japanese Military Situation*

Japanese troops, supplies and equipment were pouring into Indo-China during the past fifteen days. Units landed at Haiphong were sent south by rail to Saigon. Troops were moved quickly through Saigon towards the interior and the Thailand border. The arrival of reinforcements continues. Japanese army strength now in Indo-China is believed to be about 25,000 in Tongking province, and between 70,000 and 100,000 in south Indo-China.

Naval craft and aircraft also moved south. It is estimated that there are about 200 Japanese planes in Indo-China and roughly the same number on Hainan Island.

C. The Japanese Naval Situation

Deployment of naval forces to the southward has indicated clearly that extensive preparations are underway for hostilities. At the same time troop transports and freighters are pouring continually down from Japan and northern China coast ports headed south, apparently for French Indo-China and Formosan ports. Present movements to the south appear to be carried out by small individual units, but the organization of an extensive task force, now definitely indicated, will probably take sharper form in the next few days. To date this task force, under the command of the Commander in Chief Second Fleet, appears to be subdivided into two major task groups, one gradually concentrating off the Southeast Asiatic coast, the other in the Mandates. Each constitutes a strong striking force of heavy and light cruisers, units of the Combined Air Force, destroyer and submarine squadrons. Although one division of battleships also may be assigned, the major capital ship strength remains in home waters, as well as the greatest portion of the carriers.

The equipment being carried south is a vast assortment, including landing boats in considerable numbers. Activity in the Mandates, under naval control, consists not only of large reinforcements of personnel, aircraft, munitions but also of construction material with yard workmen, engineers, etc.

D. The Chinese Military Situation

The Chinese are concentrating troops to defend the Burma Road. In position, or moving up for this duty, are about 185,000 men, including China's only mechanized units. Skirmishing was reported during the period in north Honan, south Hopei, Shantung, south Anhwei, near Shanghai and near Canton.

[10] E. *The German Military, Naval and Air Situations*1. *Military Strength.*

It has been estimated that Germany now may have 300 divisions. Of these, 28 divisions are unidentified. Of the identified divisions 72 are probably unfitted and not yet ready for field duty. This would leave 200 divisions ready for active service at the present time.

Distribution.

The 272 identified divisions are distributed as follows:

<i>Location.</i>		<i>Number of Divisions</i>
Russian Front-----	Total 168	(including 20 motorized, 19 armored, 2 cavalry, and 2 mountain divs.)
Northern Group-----	31	
Central Group-----	86	
Southern Group-----	51	
Italy and Libya-----	3	(including 2 armored)
Balkans and Hungary-----	14	(including 1 mountain)
Poland and East Prussia-----	10	
Finland-----	7	(including 1 motorized and 3 mountain)
Germany and Austria-----	33	
Holland, Belgium and France-----	27	
Norway-----	8	
Denmark-----	2	

Operations.

(Note: Eastern Front only; see ITALY for Libyan Campaign.)

[11] Following the freezing of the ground, German offensive operations have been resumed.

Finnish Sector.—There is evidence of renewed pressure towards Murmansk, Kandalaksha and the White Sea. None of these objectives has been reached to date. The situation along the Svir River and in the southern Karelian front remains unchanged. There has been a resumption of artillery action at Hangoe.

North-Central Sector.—The siege of Leningrad continues with no apparent change in the situation. The Kronstadt batteries are reported to be still active against the Finnish right flank on the Isthmus and against the German left flank engaged in the siege of Leningrad.

Russian counter-attacks have prevented German forces at Tichvin, just east of the Volkhov River, from effecting a junction with Finnish-German units in the Svir River section. This leaves the Russian route to Leningrad via Lake Ladoga still open.

The Russians claim to have carried out counter-attacks in the vicinity of Novgorod. These attacks have had no visible results to date.

Central Sector.—German assault against Moscow has been resumed during the past 6-10 days. Despite bitter Russian resistance and incessant counter-attacks, the Germans have made some headway north and south of the city. At Kalinin no appreciable shift in the lines has been apparent. Southeast of Kalinin the Russians have admitted fighting near Klin, and the Germans have officially claimed the capture of Solnechnogorsk, indicating considerable German penetration northwest of Moscow. The Russians admit being forced back in the Mozhaishk sector. Another threat is developing at Tula, where the Russians report great German pressure.

South-Central Sector.—Gradual German advances along the Orel-Kursk front, which have been hinted at for some time but not substantiated, are confirmed in the reports that Yefremov (on the Moscow-Yelets railroad) has been captured and that advance units, progressing toward the important center of Voronezh, have reached Tim, 40 miles east of Kursk.

[12] *Donetz Basin Sector.*—The Russians claim deep advances in a counter-attack on the "Donetz Plateau", but fail to mention the recapture of any important industrial centers. Axis reports have emphasized gradual progress along a broad front, but have been vague as to details.

Rostov apparently has been captured, although the Soviets insist street fighting is still in progress. A crossing of the lower Don River and the pursuit of retiring Red forces towards the Caucasus is reported from Berlin.

Crimean Sector.—According to reports, all of the Crimea except Sevastopol is now in German hands. The defeat of Russian forces in the central Crimea, the breaking of strong defense positions across the Kerch Peninsula, the capture of

Kerch and the western shore of Kerchinski Straits have opened up another avenue for the invasion of the Caucasus.

Sevastopol is isolated and under siege, and apparently has lost its value as a base for the Red Black Sea Fleet.

Personalities.

General Kurt von Briesen was killed in action on the eastern front on November 20, 1941.

2. Naval.

Distribution.

Ship		Date	Location
Name	Type		
Tirpitz.....	BB	November 9.....	Kiel.
Scharnhorst.....	BB	November 21.....	Brest.
Gneisenau.....	BB	November 21.....	Brest.
Schleswig-Holstein.....	OB	November 9.....	Hamburg.
Schlesien.....	OB	October 7.....	Central Baltic.
[15] Graf Zeppelin.....	CV	Prior Nov. 16.....	Departed Stettin.
Admiral Scheer.....	CA	November 19.....	Swinemuede.
Luetzow.....	CA	November 9.....	Kiel.
Seydlitz.....	CA	October 12.....	Bremen.
Prinz Eugen.....	CA	November 21.....	Brest.
Admiral Hipper.....	CA	November 5.....	Off Sassnitz.
Nuernberg.....	CL	November 5.....	{ One of these two ships off Sassnitz.
Leipzig.....	CL		
Koeln.....	CL	September 29.....	Gdynia.
Emden.....	CL	November 9.....	Kiel.
4 Units.....	DD	September 24.....	Northern Norway.
5-7 Units.....	DD	September 24.....	In the Baltic.
1 Unit.....	DD	September 24.....	Bergen.
3 Units.....	DD	September 24.....	North Sea ports.
2 Units.....	DD	October 24.....	Cherbourg.
Remaining Units.....	DD		Unknown.
150 Units (estimated).....	SS		Operating out of German, Norwegian and French Atlantic ports.

Operations.

A smaller number than usual of German submarines were encountered during the period November 6 to November 13. Two forces were operating: one off the Portuguese coast, and one off the southern coast of Greenland.

British October shipping tonnage losses were less than 75% of the September, 1941, losses.

[14] HMS ARK ROYAL was attacked and sunk by two or more German submarines just east of Gibraltar on November 13, 1941. It is not certain whether these submarines were operating out of the usual French West Coast bases, or from newly established bases in the Mediterranean.

In the light of available information, it appears practically certain that all Rumanian and Bulgarian Black Sea ports are being prepared by the Germans for use as bases for offensive operations. The naval forces at Axis disposal in this sea are still very inferior to the Russian Black Sea Fleet. Axis Black Sea naval operations on any extensive scale are not to be expected until such time as the Red Black Sea Fleet either will have been destroyed or otherwise neutralized.

It is reported that Axis Black Sea forces have been reinforced by five small submarines brought down the Danube. A sixth small U-boat is to follow.

A shortage in available Axis Black Sea shipping may be indicated by the recent sinking of a 1200-ton Hungarian river motor vessel. This ship was reported to have been carrying munitions for Axis land forces and was sunk by a mine in the Black Sea.

H. M. S. DEVONSHIRE (CA) encountered and sank a converted German commerce raider on November 22 in the South Atlantic. The Axis raider, believed to have been the TAMESIS, was blown up by a magazine explosion thirteen minutes following the commencement of the engagement.

According to belated evidence, it is not fairly certain that the German 6,000-ton light cruiser KOELN was engaged in operations leading to the capture of the Baltic (Oesel) Islands six weeks or so ago.

Personalities.

Lt. Reschke and Lt. Guggenberger were in command of the two German submarines credited with the sinking of the *ARK ROYAL*. Reschke entered the Navy in 1929 and Guggenberger in 1934. Neither officer had been previously mentioned in connection with submarine operations.

[15] Captain Bernhard Rogge was in command of the raider reported sunk by H. M. S. *DEVONSHIRE*. Captain Rogge entered the Navy in 1915 and was advanced to his present rank in 1940. He has been awarded the Knight's Cross of the Iron Cross.

3. Air.

Strength and Disposition.

According to a recent reliable report, the disposition of the German Air Force in Russia is as follows:

	Leningrad	Moscow	South of Kharkov- Kiev	Finland & North Norway
Long range bombers.....	90	200	240	40
Bomber reconnaissance.....	30	30	45	10
Dive bombers.....	0	90	60-75	30
Single-engine fighters.....	30	180	130	30
Two-engine fighters.....	30	35	0	10
Totals.....	180	535	475-490	120

Grand total: 1310-1325.

A previous report from the same source estimated that, as of October 1, 1941, the Germans had almost exactly twice the above number of planes on the Russian front. This reduction in air strength may be due to some, or all, of the following factors: (a) reported withdrawal of some 560 bombers and 150 single-engine fighters from the Russian front to central Germany for refitting; (b) losses; (c) shift of air strength to the Mediterranean, which has recently been reported from several sources.

In the Mediterranean, prior to the beginning of the recent British offensive in Cyrenaica, German Air Force distribution was reliably reported as follows:

[16]	Bombers	Dive bombers	Fighters	Recon- nais- sance	Coastal
Cyrenaica.....	30	70	75	5	-----
Sicily.....	10	-----	-----	-----	-----
Crete.....	-----	20	10	-----	-----
South Greece.....	60	-----	-----	20	25

Total: 325.

This represented a slight decrease in German air strength in the Mediterranean from the last previously reported figures.

Operations

West. Reconnaissance continues to be the chief German aerial activity in this theater, operations being carried out over the British Isles and over the sea approaches. A small number of bombers were regularly in action, and activity of mine-laying planes was reported occasionally.

Russian Front.—According to German claims, the German Air Force has been very active on the Eastern Front. Leningrad and Moscow were bombed regularly during the past two weeks. The northern part of the city of Leningrad is now in ruins, the Germans report. German bombers also are said to have paid particular attention to railroad communications; namely, the yards near Moscow and the Murmansk railroad at and north of Vologda.

The Luftwaffe also claims many successes in pounding the Russians in the Crimea at Sevastopol and at Kerch.

Up to November 1, German sources claim that 83,000,000 pounds of supplies in 30,000 flights had been carried to the front by German air transport.

On November 21, the Germans claimed further that, to that date, 15,877 Russian planes had been destroyed.

[17] *Mediterranean.*—German activity in this theater has been limited largely to defensive operations. It has been reported that German air units in Libya have recently vainly requested reinforcements of troop-carrying planes.

Personalities

During the last fortnight, the German Air Force has lost its greatest technical expert and its leading ace. Col. Gen. Udet was killed while testing a new secret weapon. Lt. Col. Moelders was killed when a transport plane in which he was a passenger crashed near Breslau on November 22. Moelders was returning to the front after attending Udet's funeral.

[18] *F. The Italian Military, Naval and Air Situations*

1. Military.

Libya.

At dawn, Tuesday, November 18, the British launched their long-awaited offensive against the Italian and German forces in the Libyan Desert. The British have been preparing for this drive for many months, and a steady stream of matériel has been flowing to the Middle East. For the first time British forces are meeting the Germans with ample equipment and air superiority.

The main spearhead of the attack began south of Sidi Omar, fifteen miles from the coast at Sollum, and branched northward to Bir el Gobi and Sidi el Rezegh. At Bir el Gobi, the Italian 132nd Ariete Armored Division apparently was badly mauled by the British. At El Rezegh, Imperial forces captured the airfield, including planes and personnel. Further south an Imperial Motorized Force, starting from Giarabub, raced across the desert to Gialo Oasis and captured the Italian outpost of El Augila.

Since the initial thrust a tank battle, between German and British armored forces, ensued at El Rezegh where both sides lost heavily in mechanized equipment. To date the fighting is still fluid, and no decision has been reached. However, the British are now in possession of Rezegh; Gambut and Sidi Omar Nuovo (the main supply bases of the German armored forces) have been captured, and the Tobruk garrison has made a juncture with the main Imperial forces at Ed Duda.

East Africa.

Gondar, the last stronghold of the Italians in Ethiopia, is expected to capitulate within the next few weeks. The beleaguered Italian forces are entrenched on a mountain top north of Lake Tana where they have been cut off from supplies for the past seven months. British forces are closing in now and are only seven miles from Gondar.

(NOTE: Since the preparation of this report, the fall of Gondar has been announced.)

[19] *Russian Front.*

Italian ground lines of communication are being obstructed on the Russian Front and air transport is being used to supply the troops. Italian difficulties are due to mined and mired roads, lack of transportation facilities and the refusal of the Germans to repair the railroads in that sector. As a result, Italian forces in the Stalino area have been directed to exploit whatever local resources are available.

2. Naval.

The Italian Navy is demonstrating its inability to protect convoys to Africa. In the attack on an Italian convoy November 8 by the British, the two Italian 8-inch gun cruisers stayed beyond the range of the British 6-inch gun cruisers during the entire action. Seven of the ten ships sunk in this convoy contained German troops. Again on November 21/22 a British submarine attacked another Italian convoy escorted by three cruisers and three destroyers in the Straits of Messina. One cruiser and a destroyer were hit. On the night of November 22 the convoy was again attacked by British aircraft off Cape Spartivento in which hits were claimed on another cruiser and several merchant ships.

German submarines are basing now in the Mediterranean. Reports indicate that the principal German submarine base in the Mediterranean is located at Capri. Permits to visit Capri are almost unobtainable, even for persons of Italian nationality. A German submarine base also is being established on the West Coast of Sardinia which will accommodate seven submarines.

3. Air.

On November 15 a serious shake-up occurred in the Italian Air Force when General Rino Corso Fougier succeeded General Francisco Pricolo as Under-Secretary for Air. First reports of the ousting of General Pricolo indicated that he had failed to protect Italian cities from British air attacks because his interest lay in bomber and torpedo planes. It was believed that General Fougier, who is

a specialist in pursuit aviation, would relegate bombers to second place in favor of the manufacture and use of pursuit planes. However, subsequent reports state that the Germans have taken over complete control and command of the Italian Air Force because of [20] the sinking of the big convoy on November 8 when many German soldiers were drowned. Mussolini was said to have acquiesced to the German demand and, rather than submit, General Pricolo resigned.

General Fougier is only a figure-head, and it is reported that he is not respected by the Air Force. He was a protege and satellite of the late General Balbo and commanded the 3rd Italian Air Fleet.

EXHIBIT No. 58

UNITED STATES PACIFIC FLEET
FLAGSHIP OF THE COMMANDER-IN-CHIEF

CinCPac File No. A2-11/F#12
A10(1)/P16-S/(90) Serial 01353

Confidential

MAY 6, 1942

PACIFIC FLEET CONFIDENTIAL LETTER 21CD-43

From: Commander-in-Chief, United States Pacific Fleet.
To: Pacific Fleet.
Subject: Battle Organization and Condition of Readiness Watches at Sea.
References: (a) CinCPac Conf. Ser. 0009 of 21 Feb. 1941.
(b) War Instructions—Chapter 8, Section 2.
Enclosure: (A) Copy of reference (a).

1. Enclosure (A), which discusses in detail and sets forth the basic principles upon which conditions of readiness are established, is herewith issued to the Fleet.

2. With the personnel now on board ships of the Pacific Fleet, the proportion of the armament to be manned in the various types of vessels under the three conditions of readiness for action and based on the principles of enclosure (A) should be as follows:

COMMON ONE

Type	Main battery	A. A. battery	Anti-air warfare
BB	AB	AB	AB
CV	AB	AB	AB
CA	AB	AB	AB
CL	AB	AB	AB
DL	AB	AB	AB
DD	AB	AB	AB
DDM & DME	AB	AB	AB
AUX	AB	AB	AB

COMMON TWO

BB	AB	AB	AB
CV	AB	AB	AB
CA	AB	AB	AB
CL	AB	AB	AB
DL	AB	AB	AB
DD	AB	AB	AB
DDM & DME	AB	AB	AB
AUX	AB	AB	AB

COMMON THREE

BB	None	AB	AB
CV	None	AB	AB
CA	None	AB	AB
CL	None	AB	AB

*Three action organization. Conditions two and three identical.