

● PSF

War Dept.: Louis Johnson

1937-40

~~File. Dorn 1935~~

PSF  
War  
Johnson

Memo for Sec. Dorn  
Prepared by Creed F. Cox--dated Dec. 20, 1935  
Subject-Future policy of the United States  
regarding retention of naval bases in the  
Phillipines after independence.

Memo for H. L. Roosevelt attached from M.A.L. Jan. 20-36

SEE--War File--(S) Drawer 1---1936

**SECRET**

CODE CABLEGRAM

Received at the War Department

August 3, 1937

BFS

10:30 A.M.

WAG

✓  
From Tokio

**SECRET**

To The Adjutant General.

Number 325. August 3d

Referring to your cable No. 407 units believed mechanized brigades Kwangtung army Kungchuling strictness observed ban on military information obscure details of mobilization and troop movements but indications are former affecting many units and latter prepared for on large scale and progressing. Reliable information at least 240,000 tons ships commandeered for troop transportation and increasing number transports leaving under naval escort for Taku and Fusan. Well informed Japanese officers and Asahi editors claim troops from Japan proper other than supply and technical not sent to North China but preparations for large force complete. Usually well informed Soviet Military Attache reported that ships departed from Moji since July 20th and from Hiroshima since July 26th carrying 6th division and probably 5th division destination still unknown. I believe that many engineer, transport, communication and aviation troops sent North China but no divisions from Japan proper yet, that 20th division and other units sent are being replaced with reserves and that home divisions, chosen and Kwantung army units being strengthened with consideration for both China and Russia.

Ample evidence of popular support of government policy here greater

**SECRET**

*M*

*PSF War Johnson*

*file*

*Confidential*

*Army*

*Date- 11-6-63*

*Signature- Carl S. Spicer*

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*INDEXED*

*SEP 10 1937*

*U.S. DEPT. OF WAR*

~~SECRET~~

PAGE 2.

enthusiasm in country. Japanese officers think no danger of Soviet military assistance and Soviet Military Attache says Japan chose time "everyone busy in Europe".

Chinese disposition and movements as reported here still defensive. Large appropriations for incidentals, Japanese military preparations and activities indicate determination and preparation for even war with obstructing Nanking government if necessary for fundamental solution of North China's situation.

Deliberations here and comparative quiet in North China construed to mean that offensive against Nanking not yet decided inevitable and face saving negotiations proceeds.

Crane.

Received in MI 10 Code.

A.G. 380.3 (8-3-37) Misc.

ERH/YG

AGO, August 3, 1937 - To G-2.  
(Given to Colonel Bratten).

COPY TO: Chief of Staff.

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100 LHM 5200.9 (9/27/88)

Date- 11-6-63

Signature- Carl L. Speer

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*mlb*

CODE

Received at the War Department

August 3, 1937

12:30 PM

14 WVY

From Manila,

CONFIDENTIAL

To The Adjutant General.

French say 15 divisions including 5 Central Governments between  
Factingfu and Schihchiachuahg. Italians say 5 divisions Panang. No  
confirmation here.

McAndrew - Holbrook

Received in WD Confidential Code No. 1.

A.G. 380.3 (8-3-37) Misc.

ERH/IG

AGO, August 3, 1937 - To G-2.  
(GIVEN TO Colonel Bratten).

COPY FOR: Chief of Staff.

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Date - 11-6-63

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file  
Personal &  
Confidential PSF; Johnson  
War Dept

Sept 1937

Dear Mr. President.

1. Before entering upon my present duties, I wondered why the War Dept<sup>t</sup> continued to retain a military garrison in China, feeling that its retention (a) could serve no useful purpose, (b) was likely to prove a source of embarrassment, and (c) might provoke circumstances leading to most serious consequences.

On investigating the matter after my arrival here, I found that the War Dept<sup>t</sup> on several occasions, the most recent of which seems to have been June 1936, has strongly urged the withdrawal of this garrison for the same reasons that appealed to me, but that the State Dept<sup>t</sup> insisted upon its retention.

2. On further inquiry I find that this action of the State Dept<sup>t</sup> in ignoring military advice has been characteristic of its attitude for many years past, many instances could be cited. My investigation discloses that this is an attitude not assumed by the foreign office of any other nation. On the contrary, none embarks upon a foreign policy having any military implications without giving the fullest consideration to

is being maintained in the present situation in the Far East, is some a matter of the gravest concern - hence this informal note. Representations reaching the State Dept<sup>t</sup> from British sources are made in the light of British military advice. There are apparently under consideration naval dispositions which may commit us irrevocably to the employment of great military forces. Yet, as far as I can find, no advice has been asked of the War Department upon these matters.

4. This situation finds no counterpart in the government of any other nation.

May I respectfully ask that you consider directing the Secretary of State to afford an opportunity to the War Dept<sup>t</sup> to express its views upon all matters having a military implication, immediate or remote.

5. Of course, I want to follow your wishes completely.

Sincerely yours,

Louis Johnson

Washington  
Sept. 1, 37

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LOG DIR. 5200.9 (9/27/59)

Date- 4-7-59

September 16, 1937.

Signature- *Carl L. Spalding*

*RST War*  
*Louis Johnson*

CONFIDENTIAL MEMORANDUM TO THE PRESIDENT:

On Wednesday, September 15th, Dr. Stanley Hornbeck called General Spalding, G-4, United States Army, and asked for a list of the medical supplies, tentage, and blankets available in Honolulu and the Philippine Islands for use by the Chinese. After a check made by one of the assistants of G-4, as to the nature of the information desired by Dr. Hornbeck, General Spalding, thinking the matter of serious moment, went to see Dr. Hornbeck himself. Dr. Hornbeck's statements may be summarized as follows:

Dr. Hornbeck described, as he expressed it, the unfavorable situation which had arisen because of first the Neutrality Act, and second the statements of the President in announcing a partial embargo, and stated that he, Hornbeck, felt that something should be done to overcome this bad impression which existed among the Chinese and to some extent among our own nationals in China and to some extent among our own people in this country. Dr. Hornbeck was considering therefore prompt action by the Army, such as was taken in the disaster occasioned by the earthquake in Japan in 1923 when the Commanding General of the Philippine Islands, with proper authority, sent tentage, blankets, and help of all kind to the Japanese or to those who were in dire need because of the earthquake. Therefore, Dr. Hornbeck wanted to know not only the nature of the supplies we had in the Philippine Islands and also in Hawaii but also the administrative procedure by which these supplies could be "jarred loose" from the Army.

General Spalding told Dr. Hornbeck that he could proceed no further in the matter without consulting his superiors but General Spalding did point out that the situation existing now in Shanghai and elsewhere in China was quite different from that which was occasioned by the earthquake in Japan, that the disaster was an act of God and the present situation is not. General Spalding told him that with respect to the Army's giving aid in a disaster it acted with the knowledge and usually on the initiative of the President himself who was Commander-in-Chief of the Army and Navy and who is also the head of the American Red Cross, and gave him as an example the situation that arose recently in the floods in the Ohio and Mississippi Valley on the occasion of which the President called together the Chairman of the American Red Cross, the Cabinet, and the heads of other Executive Agencies of the Federal Government and gave them a picture of the situation as he saw it and directed cooperation

among these agencies, under the leadership of the head of the American Red Cross.

General Spalding told Dr. Hornbeck the War Department would not commit itself in any way as to what supplies might be made available or what action might be taken about them without the President's direction.

I think General Spalding's action is eminently correct and have asked him to do nothing further in the matter until there shall be direction from you.

file  
Confidential

4 Oct 1937

PST  
War  
Johnson

Dear Mr. President-

The situation on planes,  
tanks and trucks in Hawaii and Panama  
is somewhat improved since the dates of your  
visits - but I believe we can still improve  
it. Developse this data pursuant  
to our recent conversation on the subject.

Sincerely yours,

Louis Johnson

Oct 4, 1937

**WAR DEPARTMENT**  
**WAR DEPARTMENT GENERAL STAFF**  
 WAR PLANS DIVISION.  
 WASHINGTON, D. C.

~~CONFIDENTIAL~~

9/14/37 W. P. D. G. S. *MNK*

September 22, 1937.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Planes, Trucks and Tanks in Oahu and Panama.

1. Referring to the Deputy Chief of Staff's verbal instructions and the attached memorandum from the Secretary, General Staff, dated September 21, 1937, the following information is submitted as to the number of serviceable planes, tanks and trucks in Hawaii and Panama during the years indicated:

a. In Hawaii

	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>
Planes	106	101	75	101
Tanks	26	26	26	44
Trucks	1093	1155	1163	1163

b. In Panama

Planes	74	47	65	78
Tanks	0	0	0	0
Trucks	240	269	301	327

2. The number of planes by type now in Hawaii and Panama is as follows:

	<u>Hawaii</u>	<u>Panama</u>
Attack	21	15
Bombardment	31	22
Observation	0	8
Amphibian	4	1
Pursuit	38	30
Transport	2	2
Basic Training	5	0

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**DOD DIR. 5200.9 (9/27/58)**

Date- 2-17-59

Signature- *Carl L. Spencer*

3. The number of planes, by type, that have been sent to Hawaii and Panama during the period January 1, 1934 - September 21, 1937, is:

~~CONFIDENTIAL~~

	<u>Hawaii</u>	<u>Panama</u>
Attack	21	15
Bombardment	30	32
Observation		
Amphibian	0	1
Pursuit	19	21
Transport	2	2
Basic Training	6	0

4. The 26 tanks listed as in Hawaii for the years 1934, 1935 and 1936 are the old six ton model 1917 tanks. These are still in Hawaii. In addition to these old tanks, there are in Hawaii 18 of the new model light tanks, M2-A2, which were sent over in December 1936.

5. Trucks listed in paragraph 1 above, do not include special trucks such as searchlight and gasoline-carrying trucks. Passenger-carrying vehicles are likewise excluded.

*W. Kruger*  
W. KRUGER,  
Brigadier General,  
Assistant Chief of Staff.

Incl.  
Memo fr. Sec'y G.S., 9-21-37  
w/Incl.

mse



*PSF War  
Johnson*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

*"file  
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(5)*

October 9, 1937.

MEMORANDUM FOR THE PRESIDENT.

Subject: Naval Ordnance Plant at Charleston,  
West Virginia.

1. In accordance with your instructions, study has been made of possibility of the use by the Army of above plant for the manufacture of ordnance.

2. Consultation between officers of the Army and Navy discloses following:

a. Facilities at Charleston are for the production of armor plate and are therefore designed to do special and massive work in which very little light machine tooling is involved.

b. The production of army ordnance and especially gauges, jigs, and fixtures requires very special and precise equipment.

c. In its present state the equipment in Charleston plant would be practically useless for manufacture of any army ordnance equipment.

d. A plant designed for such massive work does not readily lend itself to conversion into one that would produce gauges, jigs, and fixtures.

3. Conclusion:

It is not believed to be advisable to attempt, at the present time, to convert this plant into an Army facility for manufacture of gauges, jigs, and fixtures.

*Louis Johnson*  
LOUIS JOHNSON,

The Assistant Secretary of War.

*PSF War  
Johnson*

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personal*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

October 9, 1937

MEMORANDUM FOR THE PRESIDENT.

Subject: Manufacture of 16" Guns by Army and Navy.

1. In accordance with your instructions, study has been made as to possible duplication of effort by Army and Navy in manufacture of 16" guns.

2. Following are essential facts:

a. Army has facilities for such manufacture at Watervliet Arsenal, Troy, N.Y. They were created before and during the World War, but have not been in operation since because of adequacy of stocks which were amplified by transfers from Navy. There is no present prospect of their being operated in time of peace for years to come.

b. They represent only a part of the capacity of the Arsenal, do not interfere with its operation, cost very little to maintain in standby, have practically no salvage value and are not obsolete.

c. They are very valuable as insurance for war production as commercial companies are not equipped to manufacture this highly technical equipment. They are such an asset not only to the Army but to the Navy.

d. Navy has facilities at Washington Navy Yard which operate to meet Navy's peace time requirements for 16" guns.

e. The combined capacity of two plants for war purposes is not too large.

3. Conclusions:

a. There is no duplication in present production of 16" guns.

b. The duplication of facilities is a needed asset to national defense.

c. The present plan is sound, namely, to operate the Navy facilities and to maintain in standby the Army facilities.

*Louis Johnson*

LOUIS JOHNSON,  
The Assistant Secretary of War.

*PSF War  
Johnson*

**Subject: Joint Army and Navy Basic War Plan--  
ORANGE; also, A suggested Procedure  
for the creation of an advisory board  
to the Asst. Sec. of War on Industrial  
Mobilization.**

**SEE ~~77~~ folder-Drawer 1--1938**

*ASF Johnson folder - [1937?]*  
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WAR DEPARTMENT

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WASHINGTON, D. C.

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Date- 2-17-59

Signature- *Carl F. Spicer*

MEMORANDUM TO THE PRESIDENT.

Subject: Joint Army and Navy Basic War Plan - ORANGE.

1. The Orange Plan is the only major War Plan now approved by the Army and Navy for which joint planning is being done, including priorities of war materials. This Plan is based on an offensive war of long duration, primarily naval through-out. It predicates a step by step advance across the Pacific Ocean, directed toward the isolation and exhaustion of Japan.

2. This Plan is unsound as a basis for national planning for the following reasons:

a. INCONSISTENCY. The Government has consistently advocated a defensive military policy. This plan is not defensive - it is aggressive, and therefore violates the very spirit of America. Does not encompass recent 300 mile decision.

b. INFLEXIBILITY. Is committed to a fixed distant objective and thus cannot be turned to defense if necessary.

c. HOME DEFENSE. Does not make prior provision for the defense of the continental United States.

d. INDUSTRIAL PLANNING. Under present Navy interpretation of priorities, practically the whole industrial effort of the Nation would be needed to support and augment the Navy in a theater of operations extending from the Pacific coast line west into the Asiatic mainland, which results in an initial priority of 3 to 1, Navy, compared to 3½ to 1, Army, during the World War. In view of the initial minor Army role imposed by this interpretation, industrial planning by the Army would be totally inadequate to meet the needs of sound national defense.

3. The following is suggested as a basis for joint Army and Navy planning:

a. CONCEPT. Defense of Panama, Hawaii and continental United States.

b. STRATEGY. A flexible plan on the basis of each service assuming a position of readiness to meet any strategic contingency, recognizing the two services as equally responsible in this objective.

c. INDUSTRIAL PLANNING. Maximum needs of two services should be considered in making allocation of production facilities. Where production capacity is less than combined maximum needs, as in machine tools, cannon, and fire control instruments, such facilities should be divided equally between Army and Navy, where needed, and determination as to changes necessary to meet military and naval requirements left until occurrence of emergency.

*Louis Johnson*

LOUIS JOHNSON,  
The Assistant Secretary of War.

~~SECRET~~

WASHINGTON, D. C.

January 11, 1938.

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Confidential  
War*

*BF  
War  
Johnson*

MEMORANDUM FOR THE ASSISTANT SECRETARY OF WAR AND THE ASSISTANT SECRETARY OF THE NAVY.

Subject: Smokeless Powder Production Possibilities.

The Chief of Ordnance of the Army has recently submitted to The Assistant Secretary of War a memorandum showing the status of production possibilities for smokeless powder in war. The requirements for smokeless powder as used in this memorandum are the Army's requirements for smokeless powder plus the Navy's requirements for smokeless powder, after all naval powder factory capacity has been used, including planned expansion of that plant and including a proposed new plant which the Navy will construct and operate at Indianhead. Thus the full naval production capacity for smokeless powder was considered before the Navy load was superimposed upon the Army load. Summing up, the Army problem for the production of smokeless powder cannot receive any aid whatever from the naval powder factory and its planned expansion. The Navy's requirements for smokeless powder for which the Army is planning production cover only the requirements above their own capacity for one year. At the end of one year, the Navy's plans contemplate that the Navy will be self-supporting in its production of smokeless powder.

*C. T. Harris, Jr.*

Col. C. T. Harris, Jr., O.D.,  
Office, Assistant Secretary of War.

*Roy Pfaff*

Commander Roy Pfaff, U.S.N.,  
Bureau of Ordnance.

*G. F. Hussey*

Commander G. F. Hussey, U.S.N.,  
Bureau of Ordnance.

*D. C. Hall*

Capt. D. C. Hall, O.D.,  
Office, Chief of Ordnance.



THE ASSISTANT SECRETARY OF WAR  
WASHINGTON

January 11, 1938

The President,  
The White House.

My dear Mr. President:

In Mr. Edison's absence, I secured from his office the designation of two officers who, together with two likewise qualified officers from my office, have rendered a report on the smokeless powder production possibilities - which report answers the inquiry you made of me this afternoon.

Respectfully yours,

*Louis Johnson*

TO INSURE PROMPT ATTENTION  
IN REPLYING REFER TO

NO. 381 / 19955 -  
ATTENTION OF

WAR DEPARTMENT  
OFFICE OF THE CHIEF OF ORDNANCE

WASHINGTON

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*West Army War*

December 22, 1937.

MEMORANDUM FOR THE ASSISTANT SECRETARY OF WAR.

Subject: Smokeless Powder.

In reply to your memorandum of December 15, 1937, on the above subject, the following information is submitted

I. DEFINITIONS.

1. The term "N.H. powder" means powder manufactured since 1923 of non-hygroscopic composition. Its stability life is estimated to be at least double that of pyro powder.

2. "Pyro powder" is a straight pyrocellulose composition without non-hygroscopic ingredients. The bulk of the stocks on hand was manufactured during the war. "Pyro powder" has an average stability life of twenty years, although under favorable storage conditions a longer life may be expected.

II. THE POWDER STOCK SITUATION.

3. There are approximately 59,100,000 pounds of pyro powder and 21,600,000 pounds of N.H. powder on hand.

a. Of the 59,100,000 pounds of pyro powder on hand the following tabulation shows its present disposition:

	<u>Assembled Charges</u> (lbs.)	<u>In Bulk</u> (lbs.)
Mobile Cannon	17,500,000	16,400,000
Seacoast and Railway Cannon	<u>17,000,000</u>	<u>8,200,000</u>
	54,500,000	24,600,000

b. Of the 21,600,000 pounds of N.H. powder on hand the following tabulation shows its present disposition:

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Date- 2-17-59

Signature- *Carl S. Spicer*



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	<u>Assembled Charges</u> (lbs.)	<u>In Bulk</u> (lbs.)
Mobile Cannon	12,700,000	7,600,000*
Seacoast and Railway Cannon	<u>1,500,000</u>	-
	14,000,000	<u>7,600,000*</u>

(\*) Includes 5,200,000 lbs. of N.H. powder for 155 mm Howitzer and Gun being procured with Fiscal Year 1938 funds, under the replacement program discussed in paragraph 7, below.

III. DETERIORATION SITUATION.

4. No. N.H. powder has shown indication of deterioration to date. All deterioration shown below is of pyro powder. The following amounts have deteriorated during the past three years:

1935	-	8,500,000	pounds	
1936	-	8,000,000	"	
1937	-	<u>6,500,000</u>	"	(to date)
Total	-	23,000,000	"	(approximate)

5. It is predicted that all pyro powder for mobile artillery will have been lost by deterioration before 1941, and that all larger caliber pyro powder will be lost by deterioration before 1946.

6. No small arms ammunition has been lost through deterioration of powder. Reserve stocks of bulk small arms powder amount to 500,000 pounds N.H. and 156,000 pounds of pyro powder.

IV. DETERIORATION REPLACEMENT SITUATION.

7. The approaching crisis with respect to deterioration of powder was foreseen several years ago. As a result of strong representations made to the General Staff in the summer of 1936, an item of \$5,000,000 was included in the 1938 estimates for replacement of deteriorated smokeless powder in the form of assembled charges. \$1,080,000 of the \$5,000,000 was tentatively allocated to be expended in the assembly of charges for 155 mm Gun; however, higher authority has withheld the \$1,080,000 in Administrative Reserve, and it is understood that it will not become available. The balance has been applied to the purchase of 6,000,000 pounds of N.H. powder for the 155 mm Gun and Howitzer, and the assembly of 200,000 charges for the 155 mm Howitzer.

8. The tentative estimates for 1939 again have \$5,000,000 for the replacement of deteriorating pyro powder in assembled ammunition (or charges).

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9. By continuing the inclusion of an item of \$5,000,000 in the annual appropriations through the F.Y. 1945, it is expected that:

a. All pyro powder on hand in assembled ammunition (or charges) will have been replaced at approximately the rate of loss through deterioration.

b. The full requirements of ammunition for the War Reserve (1937 basis) will have been provided, insofar as powder in charges is concerned.

10. A shorter period of replacement is believed undesirable, inasmuch as the schedule as now planned will maintain the War Reserves, with the useful life of the new powder spread over a period of years and not terminated within a brief period to cause recurrence of another critical powder situation.

11. The complete program calls for the procurement of approximately 40,000,000 pounds of smokeless powder in addition to 6,000,000 now under procurement. The balance of the cost of the program is for the assembly of this powder into charges. Attention is invited to the fact that this program does not provide for replacement of bulk pyro powder on hand needed for the war loading program as discussed hereafter.

V. WAR-TIME PROCUREMENT.

12. There is attached hereto Tabulation No. 1 showing the procurement requirements for smokeless powder for the first eighteen months, under the War Department Mobilization Plan - 1933; the stocks of bulk powder on hand which can be utilized to meet some of these requirements; and the deficit for each six months period.

13. The requirements for powder shown on this tabulation represent the procurement requirements as of today. That is, they are the requirements for powder after deducting all powder in assembled ammunition (or charges) now on hand. This situation will change in the future as a result of (1) deterioration of pyro powder in charges and in bulk, and (2) the replacement and augmentation program discussed above.

14. If this latter program is completed there will be a reduction in the war procurement requirements of powder particularly in the first six months. On the other hand all bulk pyro on hand will have been lost. The situation will then be approximately as shown on Tabulation No. 2.

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15. The estimated production shown on these charts is based upon data obtained from commercial smokeless powder manufacturers and shows the production which it is estimated can be obtained from existing facilities, from expanded existing facilities, and from new plants to be constructed after M-Day. The figures for estimated production assume -

a. That the existing facilities can be expanded and reach maximum production at the beginning of the seventh month.

b. That new powder factories can be built in accordance with plans and specifications that are now being prepared in the Wilmington Branch of the Philadelphia District Ordnance Office, and that these plants can begin 25% of the production in seven months and reach capacity in twelve months.

c. That critical items of powder making equipment, valued at approximately \$3,500,000, will be purchased and stored so that they will be available on M-Day.

16. The force in the Wilmington Branch of the Philadelphia District Office consists of one commissioned officer, two engineers, and six draftsmen. This force with the cooperation of the leading commercial powder manufacturers is solely engaged in preparing plans and specifications for the production of powder in an emergency.

17. It should be noted that the plans which are being prepared include the production of Navy powders until the Navy Indian Head Powder Factory can be expanded to meet requirements.

18. The powders to be manufactured are NH and FNH powders of standard design and manufacture which are now being produced in quantity.

19. Attention is invited to the fact that these requirements are based on the War Department Mobilization Plan, 1933. Requirements for the new P.M.P. are not known in their entirety as yet. However, it is believed that they will be considerably smaller during the first year of war, but that thereafter they will be about the same as under the 1933 plan.

20. Tabulation No. 2 indicates a deficit of approximately 145,500,000 pounds of bulk powder. In other words, in order that there be no shortage of powder in a war of maximum effort there should be on hand a reserve of 148,000,000 pounds of bulk powder

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in lieu of the 2,800,000 pounds which will actually remain on hand at that time. However, powder cannot be considered by itself. There must be considered also the availability of metal components and the capacity of loading plants. There would be no point in accumulating this amount of bulk powder in reserve unless the loading plant program was expanded accordingly.

21. As a matter of fact, the first year's demands for ammunition under the 1933 War Department Mobilization Plan can be supplied at the rates required by that plan only by:

a. Greatly increasing reserves of assembled ammunition over and above any amounts now contemplated by War Department policies.

b. The erection of loading plants in time of peace to be ready for operation on M-Day.

c. Provision of additional reserve stocks of components such as powder, explosives and metal parts.

22. But since the War Department policy for maintaining and augmenting reserve supplies in general is based on a lesser military effort, it is believed that the bulk powder reserves should be on that same basis, at least until all shortages in critical items on that basis have been supplied. On this basis there should be approximately 45,000,000 pounds of bulk cannon powder, and 900,000 pounds of small arms powder in reserve.

23. This quantity of powder in reserve together with that expected to be available from war production will be sufficient to keep the loading plants, as now planned, in continuous operation. Bulk powder now on hand applicable to this purpose amounts to approximately 27,500,000 pounds, of which approximately 24,700,000 pounds are pyro, all of which will be lost through deterioration by 1945. The shortage then will be 400,000 pounds of small arms powder and 42,700,000 pounds of cannon powder.

VI. FURTHER STEPS THAT SHOULD BE TAKEN.

24. It is recommended that the following additional steps be taken to assure an adequate supply of satisfactory powder in war:

a. Continue the program of procurement of new powder and assembling into charges to meet the full requirements for assembled ammunition for the War Reserves at a cost of \$5,000,000 per year. This involves procurement of approximately 40,000,000 pounds of powder in addition to that now under procurement.

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b. Procure special powder machinery at a cost of \$5,300,000.

c. Procure 42,700,000 pounds of cannon powder and 400,000 pounds of small arms powder to be held in reserve in bulk for war loading. This procurement to start not later than the F.Y. 1940 and to be completed in five years, at a cost of \$5,170,000 per year.

*W. H. Tschappat*

W. H. Tschappat,  
Major General, Chief of Ordnance.

2 Incls.  
Tabulations

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19953

Conf. Sec. / War Sec. 1

RESTRICTED

No. 1

WAR-TIME PROPELLANT POWDER SITUATION BASED ON REQUIREMENTS OF 1933 M.P.

Unit - 1 lb.	(As of Today)			Dec. 22, 1937.		
		First 6 Mos.	2nd 6 Mos.		2nd 6 Mos.	3rd 6 Mos.
I. Small Arms Powders -						
Requirements, lbs.	:	23,625,000	:	34,980,000	:	34,110,000
Bulk Powder on Hand	:	(1) 656,000	:		:	
Estimated Production	:	2,878,000	:	15,524,000	:	32,746,000
Deficit, lbs.	:	20,091,000	:	19,456,000	:	1,364,000
II. Mobile Artillery -						
Requirements, lbs.	:	122,485,000	:	229,330,000	:	235,890,000
Bulk Powder on Hand	:	(2) 24,000,000	:		:	
Estimated Production	:	6,793,000	:	213,947,000	:	235,926,000
Deficit, lbs.	:	91,692,000	:	15,383,000	:	0
III. Army Seacoast & Railway Guns -						
Requirements, lbs.	:	5,574,000	:	4,073,000	:	4,954,000
Bulk Powder on Hand	:	(3) 8,268,000	:	Use M Day Surplus	:	Use M Day Surplus
Estimated Production	:	0	:	1,958,000	:	4,395,000
Deficit, lbs.	:	0	:	0	:	0
IV. Navy Powders -						
Requirements, lbs.	:	10,030,000	:	23,550,000	:	0
Estimated Production	:	3,801,000	:	23,550,000	:	0

- (1) N.H. Powder - 500,000 lbs.
- Pyro Powder - 156,000 lbs.
- 656,000 lbs.
- (2) Pyro Powder - 16,400,000 lbs.
- N.H. Powder - 7,600,000 lbs.
- 24,000,000 lbs.

(3) All Pyro Powder in D. Roosevelt Library

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**DOD DIR. 5200.9 (9/27/58)**

RESTRICTED

Date - 2-17-59

Signature - Carl S. Spicer

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Ass. Com / Nov Dec 2

RESTRICTED

No. 2

ULTIMATE WAR-TIME PROPELLANT SITUATION, BASED ON REQUIREMENTS OF 1933 M.P.

(After Program for Augmenting & Replacing Ammunition Reserves has been Completed)

				Dec. 22, 1937.
	First 6 Mos.	2nd 6 Mos.	3rd 6 Mos.	
I. Small Arms Powders -				
Requirements	18,000,000	34,000,000	34,110,000	
Bulk Powder on Hand	500,000	-	-	
Estimated Production	2,878,000	15,524,000	32,746,000	
Deficit, lbs.	13,622,000	18,476,000	1,364,000	
II. Mobile Artillery -				
Requirements	105,000,000	225,000,000	235,890,000	
Bulk Powder on Hand	2,329,000	-	-	
Estimated Production	6,793,000	213,947,000	235,926,000	
Deficit, lbs.	95,878,000	11,053,000	0	
III. ARMY Seacoast & Railway Guns -				
Requirements	3,000,000	3,100,000	4,000,000	
Bulk Powder on Hand	-	-	-	
Estimated Production	0	1,958,000	4,395,000	
Deficit, lbs.	3,000,000	2,142,000	0	
IV. Navy Powders -				
Requirements	10,030,000	23,550,000	0	
Estimated Production	3,801,000	23,550,000	0	

Aggregate Deficit (except Navy) - 145,535,000 lbs.  
Powder on Hand - 2,829,000 lbs.

Total Reserve Required - 148,364,000 lbs.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-17-59

Signature- Carl F. Spicer

RESTRICTED



RESTRICTED

12/25/37

STATUS OF POWDER FOR THE WAR RESERVE REQUIREMENTS  
OF ASSEMBLED ARTILLERY AMMUNITION

<u>Item</u>	<u>Totals lbs.</u> <u>of powder</u> <u>required</u>	<u>Lbs. of N.H.</u> <u>powder now</u> <u>in charges</u>	<u>Balance</u> <u>Required,</u> <u>lbs.</u>	<u>Bulk N.H.</u> <u>on hand</u> <u>applicable</u> (a)	<u>Cost, incl.</u> <u>assembly</u> (b)	<u>Lbs. of pyro</u> <u>powder now</u> <u>in charges</u>
Mobile artillery cannon	37,663,000	12,750,000	24,913,000	5,200,000	\$30,382,300.	17,500,000
S.C. & Railway Cannon	20,937,000	1,465,000	19,472,000	0	19,624,500.	17,000,000
TOTALS - -	58,600,000	14,215,000	44,385,000	5,200,000	\$50,006,800.	34,500,000

- (a) Includes only the N.H. powder procured for this program to date. The balance on hand pertains to the reserve required for war-time loading.
- (b) Due to shortage of projectiles, cartridge cases, etc., not all of these charges can be assembled. The net cost of the program as planned will thus be reduced to \$40,000,000. This will provide all of the powder for the assembled ammunition required in War Reserve and for assembly in charges of all that can be so assembled with other components on hand.

The total shortage in War Reserves of assembled ammunition amounts to \$175,000,000, including the \$50,000,000 for powder.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-17-59

Signature-

Carl F. Speer

RESTRICTED

file  
"confidential"

PSF - War Dept.  
L. Johnson

WAR DEPARTMENT  
WASHINGTON

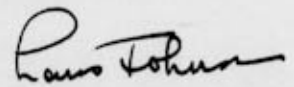
March 12, 1938

Johnson

The President,  
The White House.  
My dear Mr. President:

I enclose you herewith a memorandum  
relative to Mexico.

Respectfully yours,



Acting Secretary of War.

Enclosure.



~~SECRET~~

G-2  
EMA

G-2/2655-G-174

WAR DEPARTMENT  
WAR DEPARTMENT GENERAL STAFF  
MILITARY INTELLIGENCE DIVISION, G-2  
WASHINGTON, D. C.

March 11, 1938.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Rumored Attempts by German and Italian  
Nationals to Obtain Certain Concessions  
in Mexico.

1. In reply to your memorandum of March 10 on the above subject, there is no definite information at hand to show that either German or Italian interests have secured oil, rubber, mineral or other concessions in Mexico. There are indications that during the past year German interests have initiated activities as set forth in par. 3 below, but no indications of any Italian efforts along similar lines. None of the information received in this office has had reference to rubber concessions.

2. In general, due to the rather pronounced leftist tendency of the Cardenas Government, German and Italian activity finds little sympathetic response in Mexico. However, the stringent economic situation at present confronting the government would seem to favor a more conciliatory attitude in economic matters, and the lack of cash funds and bank reserves increases the probability that the Government is open to the consideration of any foreign proposition whereby money with which to continue its socialization program can be realized.

3. German activities in Mexico have noticeably increased, being directed principally toward the betterment of trade between the two countries; and there is a suspicion that it was the offer of German Government emissaries to take over and operate the oil extracting and refining industry at a higher profit to the Mexican Government and to Mexican labor that strengthened the Government's hand in its recent dealings with the American and British oil companies. Germany is currently a purchaser of substantial amounts of crude petroleum from Mexico, which have probably been increased as a result of the visit in September, 1937, of two Berlin bankers, purportedly to negotiate with the Government petroleum administration for the purchase of large quantities of crude oil for export to Germany.

~~SECRET~~

DECLASSIFIED  
OSD Letter, 5-3-72

~~SECRET~~

It is reliably reported that the Mexican Government actually offered the "Las Truchas" iron mine in the State of Michoacan, on which the American concession has recently been canceled, to the German Government, but that the latter declined the offer for fear of possible complications with the United States Government.

Unconfirmed reports are to the effect that there have been several parties of German engineers prospecting along the southwest coast of Mexico, and that German agents have been interested in the Isthmus of Tehuantepec area.

A recent so-called expose of espionage activities in Mexico attributed to the Germans an organized propaganda group operating as a commercial agency. As a result of the workings of this agency, it was claimed that German interests have penetrated extensively into Guatemala, Costa Rica, and in the southern part of Mexico. It is understood in this connection that some concern has been expressed in Mexican official circles over alleged Nazi activity among the colony of coffee planters and other German nationals established near the Guatemala border. However, it is believed that such Nazi propaganda efforts are of slight importance and have achieved no great results.

4. Recent reports from our Military Attache in Mexico City indicate that he has been in touch with developments of the above mentioned German activities. He has been directed, this date, to intensify his investigations with respect to German, Italian and Japanese activities in Mexico.

In this connection, press reports of February 20, 1937, concerning Japanese negotiations with the Mexican Government for exploitation of rich iron deposits on the Pacific Coast were investigated by the Military Attache, who reported that both Mexican and Japanese Legation officials denied such negotiations and that the general opinion prevailed in Mexico that the subject was founded on rumor.

5. Developments on the subject of this memorandum will be promptly forwarded for your information.

*E. R. W. McCabe*

E. R. W. McCABE,  
Colonel, General Staff,  
Assistant Chief of Staff, G-2.

td

~~SECRET~~

DECLASSIFIED  
OSD Letter, 5-3-72

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY

6-1-38

Dear Mac-

I think the  
President would like  
to see the attached.

It is in general  
agreement with late  
information from other  
sources.

Sincerely-

6/23/38 Louis Johnson

OFFICE OF THE ASSISTANT SECRETARY OF WAR

*PSF War  
L. Johnson*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

June 23, 1938

MEMORANDUM for the Assistant Secretary of War.

Mr. Martin, President of the Glenn L. Martin Company, has just returned from a trip to Europe where he visited aircraft factories in Germany, France and England. He outlined his impressions and asked me to convey them to you.

Germany:

Through personal and official contacts he was able to inspect activities quite intimately and obtain information not ordinarily available to foreigners.

Germany is now actually producing some 28 military airplanes each working day. This approximates 9000 per year. Sufficient capacity exists for double this number.

Types are principally bomber and pursuit. Bombers are not ordinarily able to carry more than 2000 pounds of bombs and are of relatively short range as the probable military objectives are not greatly distant from Germany.

The quality of the planes is excellent and compares favorably with the best that other countries are producing. Latest pursuit planes have speeds of some 350 miles per hour and bombers of some 300 miles per hour. The workmanship and finish given to the various parts of the plane vary with the military importance of parts.

Mass production is practised to a greater extent than in America. In Germany several thousand of an approved type are manufactured and it is therefore worthwhile to tool up completely for production. In America only a few hundred are produced and it is therefore economical to do a reasonably large percentage of hand work.

Very large schools are in operation in Germany for the development of aircraft mechanics. These schools in reality correspond to West Point and Annapolis and the students thereat are as fully regimented as the cadets at the latter institutions. They are similarly provided with barracks, mess halls, recreation facilities and workshops. They are given four years of intensive training and graduate as aircraft mechanics with the ability to produce and maintain aircraft.

[War + Johnson]

Germany is obviously thoroughly organizing from standpoints both of men and machines to utilize to the very maximum the destructive power of the airplane.

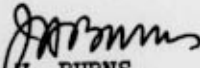
France:

Conditions in France are quite pitifully weak so far as air power is concerned. The production of military aircraft is less than 1000 per year and the quality is inferior. The morale in the factories is poor.

England:

Production approximates 3000 per year. Quality is excellent. The regular airplane manufacturers are doing the effective work. The so-called shadow factories are not yet successful.

General: The above figures indicate that Germany is greatly superior to England and France in so far as air power is concerned and that the superiority is rapidly increasing.

  
J. H. BURNS,  
Colonel, Ordnance Department,  
Executive.

PSF: L. Johnson  
War

WAR DEPARTMENT

OFFICE OF THE ASSISTANT SECRETARY

WASHINGTON, D. C.

*file*  
*Confidential*  
*d-1-3 Johnson*

THE WHITE HOUSE  
JUL 2 9 42 AM '38  
RECEIVED

July 2, 1938

MEMORANDUM to the President.

1. The data which Mr. Baruch has submitted to you in his communication of June 28, 1938 have been received. I thank you for bringing this matter to the attention of the War Department.

*Louis Johnson*

LOUIS JOHNSON,  
The Assistant Secretary of War.

BERNARD M. BARUCH  
597 MADISON AVENUE  
NEW YORK

June 28, 1938.

My dear Mr. President:

Herewith I enclose  
memoranda on all of the subjects except  
manganese, figures on which I will  
have forwarded to you tomorrow.

Sincerely yours,

*Baruch*

Hon. Franklin D. Roosevelt,  
The President of the United States,  
Hyde Park, New York.

June 28, 1938.

COPPER

There is an ample supply of copper in this country. Until May 1st, Germany reported her supplies to a central organization but has now refused to do so.

"Iron" or war metal stocks which the government owns and which industry will not be permitted to use, consist of about

50,000 tons of copper  
50,000 tons of lead  
~~150,000~~ 100,000 tons of zinc

In addition, industry is encouraged to accumulate these raw materials. The figures would seem to indicate that imports plus their production at the present time are well in excess of normal requirements, which tends to indicate a steady accumulation.

I have recently learned that a firm has been started in New York whose prime purpose is to increase copper exports to Germany through barter.

If these figures are correct, and they are the best available, it would seem that Germany has not at the present time a sufficient supply of the non ferrous metals that are necessary for a war of any length.



CO  
June 28, 1938.

RUBBER .

I find that there is in the United States a supply sufficient for six or seven months of normal consumption.

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

ASF  
War  
Johnson

[ 1938 ]

file  
journal

Mae -

I hope the President will  
get a good laugh out of this.

Be sure he reads the typewritten  
foreword - before he looks at the  
picture under the clips.

Louis J -

Sept 1st.

CONSTRUCTION WORK STARTS AT KELLY FIELD (WITH A BANG)

Construction work authorized in the War Department Appropriation Bill for the coming year for Kelly Field has at last started.

Ground has been broken for the foundation of new buildings and surveying parties are hard at work aligning and marking the various projects to be undertaken.

It has taken seventeen years of hard work to get this \$2,500,000 allotment of money to start the rehabilitation of Kelly Field, and it is with pride that we watch the way the work is being pushed by the Constructing Quartermaster.

The first building was thrown up yesterday (July 25, 1938) in record time, and it is hoped that the permanent construction work will progress as rapidly and efficiently as that just completed.

ATTACHED HERETO IS

PHOTOGRAPH OF THE FIRST BUILDING ERECTED AT KELLY FIELD

UNDER THE 1938 CONSTRUCTION PROGRAM.

INITIAL REPORT  
ON  
CONSTRUCTION WORK  
AT  
KELLY FIELD



THE WHITE HOUSE  
WASHINGTON

5-1-1954 RSP  
WHL  
Johnson

~~CONFIDENTIAL~~

11-P-63  
CK2

Hyde Park, N. Y.,  
September 8, 1938.

MEMORANDUM FOR

THE ASSISTANT SECRETARY OF WAR

This sounds extremely interest-  
ing and also practical.

F. D. R.

# CONFIDENTIAL

(4-D)

September 3, 1936.

## Procurement of Experimental Attack Bomber Airplane.

The Assistant Secretary of War.

1. Recent instructions from The Adjutant General emphasize the need for development of close-support aviation during the next two years. Military Characteristics have been submitted for a class of attack bomber capable of higher speeds than can be expected for airplanes of this type scheduled for quantity procurement during the current fiscal year.

2. Subject to the approval of Military Characteristics, it is proposed to undertake the procurement of two experimental attack bomber airplanes with speeds of 350 miles per hour or more with modifications of other features of performance and furnishings consistent therewith.

3. One airplane is to embody features of design and provide for power plants that will enable a physical article of advanced design to be constructed and flight tested within the present year; the second is to provide for advanced and unorthodox features of design and have power plants of advanced design. It is planned to allow two years for the development and construction of this second airplane. In order to expedite development of these airplanes, it is proposed that procurement be accomplished under the provisions of sub-paragraph k, Section 10, Air Corps Act of July 2, 1926. The contemplated procedure is briefly outlined as follows:

- a. Solicit by separate transactions, design studies from principal manufacturers experienced in the construction of bombardment types, the evaluation of such design studies; and the procurement of a physical airplane as a result thereof.
- b. Awards for construction to be based upon considerations of price, time of delivery, and the results of the evaluation of the design studies.
- c. Procure one airplane and applicable data conforming to the proposal found upon evaluation to be best calculated to meet the needs of the Government and likewise, through negotiation at prices

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MOD DIR. 5200.9 (9/27/58)

Date- 2-17-59

Signature- *Carl L. Spicer*

CONFIDENTIAL

**CONFIDENTIAL**

not in excess of \$2,000.00, any or all of the design studies submitted as a basis for award, provided the interests of the Government so require.

- d. Design studies for the first airplane to be submitted within thirty (30) days after furnishing selected manufacturers Invitations for Bids. Design studies covering the second, or unorthodox airplane, to be submitted within one hundred twenty (120) days from the date the manufacturer is furnished with the Invitation for Bids.

4. In order to expedite initiation of these projects, a draft of a letter has been prepared to the principal aircraft manufacturers of this type of aircraft, a list of which is attached, with the general terms and condition of the proposed competition. It is proposed to classify the proposed procurement as "Confidential" and invoke applicable provisions of regulations respecting secrecy.

5. Funds can be made available.

6. It is recommended:

- a. That subject to the approval of The Adjutant General of Military Characteristics for advanced type of experimental attack bomber airplanes, procurement of two experimental airplanes be undertaken predicated upon the results of evaluation of design studies solicited from the principal manufacturers of this type of airplane.
- b. That the manufacturers be advised of the contemplated procurement substantially as contained in the attached draft of letter which incorporates the procedure heretofore outlined.

2 Incls.

- 1- List of manufacturers.
- 2- Draft of letter.

H. H. ARNOLD,  
Brigadier General, Air Corps,  
Acting Chief of the Air Corps.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-7-59

Signature- *Carl S. Spicer*

**CONFIDENTIAL**



**CONFIDENTIAL**

D R A F T

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**DECLASSIFIED**

**DOD DIR.** 5200.9 (9/27/88)

**Subject: Procurement of Experimental  
Attack Bomber Airplanes.**

**For: (See list of Manufacturers attached) Date- 2-17-59**

Signature- *Paul F. Spencer*

1. The Air Corps United States Army has in contemplation the procurement of two (2) experimental models Attack Bombers of improved design. This procurement will be based on the results of an evaluation of design studies submitted by interested manufacturers in accordance with the terms and conditions of "Standard Form of Invitation for Bids" that will be furnished, together with the necessary specifications and Method of Evaluation, upon request, as hereinafter provided. Price and time of delivery will also be factors in making an award.

2. The Air Corps desires to develop Attack Bomber airplanes to meet a military requirement for high speed at altitude, combined with normal rates of climb, service ceiling, steepness, for airplanes of this type. In order to secure the essential increases in speed now possible in airplanes of this design, available for quantity procurement, the conditions for landing and take-off, furnishings and arrangements of the crew have been materially modified.

3. The contemplated procurement provides for the purchase of two (2) experimental airplanes in accordance with the provisions of sub-paragraph K, Section 10 and the purchase of such design studies as the interest of the Government requires, at a negotiated price not to exceed \$2,000.00 per study.

4. Time is an important consideration in the procurement of the first experimental airplanes. The characteristics and design of this airplane must be such as to provide for the use of power plants and aerodynamic features that are in a state of development that will permit prospective bidders to guarantee delivery of the physical airplane for flight test by the Government within twelve (12) months after the date of the formal invitation for bids. One (1) month will be allowed for the submission of design studies as a basis for the selection of the airplane for construction. The engineering data requested in connection with the design studies will be limited to that necessary to describe and to substantiate the performance evaluations of the airplane offered. Not more than 1000 man-hours should be required for the preparation of the essential data.

5. The second or unorthodox airplane contemplated for procurement will require the installation of advanced models of engines and new and novel features of design and construction. Four (4) months will be allowed for submission of design studies and a bid not to

**CONFIDENTIAL**

~~CONFIDENTIAL~~

exceed two (2) years for the development and construction of the physical airplane. The scope of the design studies submitted describing this airplane should be limited to engineering data not requiring over 1500 man-hours for its preparation.

6. If your Company is interested, an immediate request should be made for the applicable Specifications and the terms and conditions governing the competition, as set forth in the "Standard Form of Invitation for Bids." Your request should be accompanied by an executed secrecy agreement in accordance with the attached form and forwarded to the Chief, Materiel Division, Wright Field, Dayton, Ohio. This is necessary due to the confidential nature of the airplane under consideration.

7. Similar letters are being addressed to other manufacturers of this particular class and type of airplane, and it is hoped that your Company can enter the competition announced primarily to meet the military requirements for increased speeds for this type of airplane.

Atch.

List of Manufacturers,  
Secrecy Agreement.

~~CONFIDENTIAL~~

CONFIDENTIAL

LIST OF MANUFACTURERS

Bell Aircraft Corporation,  
2050 Elmwood Avenue,  
Buffalo, N. Y.

Lockheed Aircraft Corporation,  
Burbank, California.

The Glenn L. Martin Company,  
Baltimore, Maryland.

North American Aviation, Inc.,  
Los Angeles Municipal Airport,  
Inglewood, Calif.

Curtiss Aeroplane Division,  
Curtiss-Wright Corporation,  
Kenmore & Vulcan Streets,  
Buffalo, N. Y.

Douglas Aircraft Company, Inc.,  
Santa Monica, Calif.

Consolidated Aircraft Corporation,  
Lindbergh Field,  
San Diego, California.

Vultee Aircraft,  
Downey, California.

Sikorsky Aircraft,  
Div., United Aircraft Corp.,  
Bridgeport, Conn.

Boeing Aircraft Company (Stearman)  
Seattle, Washington.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

September 24, 1938.

MEMORANDUM FOR THE PRESIDENT:

As an indication of the cooperation existing between the Army and the Navy, I am inclosing for your information a copy of recommendation submitted to me by the Chief of Ordnance covering some Navy munitions work to be placed at Army arsenals. I have approved the recommendation and directed the Chief of Ordnance to give best possible service to the Navy.

*Louis Johnson*  
LOUIS JOHNSON,

The Assistant Secretary of War.

Inclosure: Copy of  
Memorandum dated  
September 24, 1938  
from the Chief of  
Ordnance.

Franklin D. Roosevelt Libra.  
**DECLASSIFIED**  
DOD DIR. 5200.9 (9/27/58)

Date- 2-17-57

Signature- *Carl S. Spicer*

~~CONFIDENTIAL~~

COPY  
War Department  
Washington

CONFIDENTIAL

September 24, 1938.

MEMORANDUM for the Assistant Secretary of War.

Subject: Manufacture of Navy Equipment at Army  
Arsenals.

1. The Ordnance Department has received inquiries from the Navy regarding certain manufacturing work which it is desired to place with Army arsenals in order to expedite the Navy production program. This program includes the following:

6 to 16 - 16" Guns  
6 to 16 - 16" Gun slides  
36 5" Single gun mounts  
40 5" Double gun mounts  
54 5" Loading machines  
18 16" Ammunition hoists  
27 16" Counter Recoil Buffers

2. The arsenals in addition to their present work are equipped to take on these Navy orders to good advantage. The production program for the Army will not be interfered with particularly as the Navy requirements extend over a period of three years when a large number of the present orders under way at the arsenals will have been completed.

3. Taking on these orders involving several million dollars will mean the employment of a considerable amount of skilled labor not only at the arsenals but in industry which supplies the materials. Not only that, but it will serve to place in operation a special class of equipment which otherwise would be in a standby condition subject to deterioration.

4. It is recommended that I be authorized to proceed in the foregoing program.

(signed) C. M. Wesson

APPROVED - September 24, 1938

(signed) Louis Johnson

LOUIS JOHNSON,  
The Assistant Secretary of War.

C. M. WESSON,  
Major General, <sup>John F. Roosevelt Library</sup>  
Chief of Ordnance

CLASSIFIED

DIR. 5200.9 (9/27/58)

2-17-59  
Date- *Carl J. Spica*

Signature-

CONFIDENTIAL

~~SECRET~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

*PSFIZ. Johnson  
file private +  
confidential  
War*

October 15, 1938.

MEMORANDUM FOR THE PRESIDENT.

I think you will be interested in reading the attached memorandum to the Chief of Staff on the subject of War Requirements and War Resources of Aircraft, which precedes the revamping of our air program.

*Louis Johnson*

LOUIS JOHNSON,  
The Assistant Secretary of War.

Inclosure.

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- *7-17-59*

Signature- *Carl L. Spicer*

~~SECRET~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

October 14, 1938.

MEMORANDUM FOR CHIEF OF STAFF:

Subject: War Requirements and  
War Resources of Aircraft.

1. There is attached hereto a tabulation showing requirements and resources of aircraft, month by month, from M-day to M + 18 months.
2. Requirements are based substantially upon the Protective Mobilization Plan and its first augmentation. For tactical planes these requirements are computed from the latest available "Tables of Basic Allowances" and "Troop Basis Tables". For training planes requirements are not similarly prescribed and have therefore been based upon the number required to train personnel for the maximum number of tactical planes that can be produced by industry. Any change in the estimated capacity of industry to produce tactical planes would change requirements in training planes correspondingly. It is to be noted that losses are provided for by including them in requirements.
3. Resources are based upon stocks now in prospect and estimated war production after M-day. This estimate is based upon the present allocations of production contained in our industrial mobilization plans. In some cases, of necessity, allocations have been made to companies which have never produced airplanes. This office is not willing to indorse, at this time, the estimated production figures contained in the chart.
4. It is fully realized that a completely sound solution to the military airplane problem always requires that stocks plus dependable production must equal requirements. It is also realized that war requirements cannot be accurately forecasted and that a practical objective must be established which has reasonable expectations of accomplishment. Estimated production is therefore of prime importance as a basis on which to build.
5. Information reaching this country from abroad is to the general effect that England, in spite of urgent pressure to increase drastically her production rate, is now producing, after three years of such urgent pressure, only some 3,000 military airplanes per year. After five years of effort, Germany is now producing some 10,000 per year and is said to have reserve capacity for considerably greater production. However,



~~SECRET~~

Germany has apparently been organized to exploit to practically the reasonable maximum and within the minimum length of time her ability to produce and utilize military aircraft. But in spite of such a determined and autocratic organization as the German Government, it has apparently required Germany some two years to reach her present productive capacity even after her factories had been constructed.

6. At a recent conference attended by representatives of the aircraft industry it seemed to be the general conclusion of such representatives that the rate of aircraft production from existing plants in America could be doubled in twelve months. This would mean that in the first year of war production would be approximately 150 percent of production at the start of war. In general, new plants could only start producing by the end of twelve months. In time, of course, production could be expanded almost without limit and certainly in excess of Germany's production. However, it is believed that not less than two years would be required to do this.

7. The three principal parts of airplanes are the body, the power plant and the instruments. Production expectation of the three parts is substantially the same. In this paper, therefore, the plan is treated as a whole.

8. During calendar year 1937 production in the United States was approximately as follows:

Military planes - all types	949
Commercial and private planes	<u>2,281</u>
Total	3,230

This is approximately the equivalent of:

1,200 Tactical planes and  
1,200 Training planes.

On the assumption that present capacity could be doubled in twelve months we could only expect production, during the first year of war, of some 1,800 tactical planes and 1,800 training planes. However, approximately half of this production probably would have to be allocated to the Navy. Furthermore, it does not necessarily follow that the country would be justified in stopping the production of all commercial planes in the event of war.

9. This office is not now able to give a dependable estimate as to military aircraft production in this country after the start of war. It can undoubtedly be increased by thorough study and sound planning. Production capacity can also be increased by such steps as accumulation of stocks of sheet aluminum and other intermediate materials, machine tools, dies, fixtures and other aides to manufacture, by training of air mechanics to give a reserve of skilled labor in time of war, by educational orders,

~~SECRET~~

~~SECRET~~

or even by the creation of standby or "shadow" factories. Even though these various steps were all utilized to a reasonable degree it is believed we would still have serious difficulty in meeting the production schedule contained in the attached chart. It is, of course, apparent that the cost of such a program would be very considerable.

10. Even if we assume that the schedules of production contained in the attached chart are correct, we are still unable to meet the present scheduled requirements during the early months of a war by approximately 50 percent. The maximum shortage, based upon present estimate of requirements, is some 5,000 airplanes, and a sound solution would require the accumulation of this reserve of planes at a cost of some \$400,000,000.

11. It is believed that this entire question must be seriously reviewed. We must establish our objective as to the air strength we need, not only on M-day but also by months thereafter for at least two years. We must then endeavor to perfect plans for dependable production to meet as fully as possible such requirements. Finally, since adequate production will in all probability not be reached for many months after M-day, we must fight for the reserves of planes necessary to meet requirements during this period. Thus we will be able to comply with the fundamental rule that stocks plus production must equal requirements.

(Signed) Louis Johnson

Louis Johnson,  
The Assistant Secretary of War.

1 Incl. (in dup.)  
Chart - Requirements  
vs. Resources, Oct. 1,  
1938.

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Date- 2-17-59

Signature- *Carl L. Spicer*

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REQUIREMENTS VS. RESOURCES  
FOR  
TRAINING AND TACTICAL AIRPLANES  
DATA FROM OFFICE OF THE CHIEF OF THE AIR CORPS  
October 1, 1936.

Date: 2-17-57

~~Signature~~ based on Spec

	M-Day	M+1	M+2	M+3	M+4	M+5	M+6	M+7	M+8	M+9	M+10	M+11	M+12	M+13	M+14	M+15	M+16	M+17	M+18	
Airplanes Total Training																				
Supply Req. (Cum.)	372	706	1,100	1,527	1,903	1,970	2,306	2,678	2,908	3,163	3,268	3,074	3,776	3,982	4,186	4,392	4,578	4,760	4,944	
Resources																				
Stocks	246																			
Prod. (Cum.)	10	40	90	163	263	363	478	510	664	706	937	1,103	1,413	1,693	1,993	2,313	2,723	3,233	3,873	
Total (Cum.)	246	306	356	423	523	623	787	820	1,010	1,212	1,644	2,047	2,526	2,986	3,486	3,986	4,486	4,986	5,486	
Deficits (Cum.)	+ 372	+ 440	+ 510	+ 587	+ 664	+ 697	+ 833	+ 968	+ 1,000	+ 1,157	+ 1,331	+ 1,477	+ 1,673	+ 1,989	+ 2,193	+ 2,480	+ 2,855	+ 3,287	+ 3,871	
Airplanes Total Tactical																				
Supply Req. (Cum.)	1,807	2,236	2,660	3,392	3,793	4,197	4,901	5,029	5,448	5,972	6,300	6,829	7,308	7,787	8,266	8,740	9,224	9,703	10,182	
Resources																				
Stocks	1,204																			
Prod. (Cum.)	60	120	187	264	342	423	507	597	694	798	908	1,024	1,146	1,274	1,408	1,548	1,694	1,846	2,004	
Total (Cum.)	1,264	1,324	1,329	1,401	1,459	1,556	1,727	1,911	2,142	2,436	2,856	3,280	3,814	4,374	4,954	5,552	6,176	6,824	7,500	
Deficits (Cum.)	- 603	- 968	- 1,271	- 1,991	- 2,340	- 2,674	- 3,197	- 3,114	- 3,557	- 3,974	- 4,394	- 4,911	- 5,429	- 5,947	- 6,465	- 6,983	- 7,501	- 8,019	- 8,537	
Airplanes Grand Total Tactical and Training																				
Supply Req. (Cum.)	2,529	2,940	3,780	4,719	5,446	6,167	6,907	7,703	8,406	9,030	9,702	10,403	11,084	11,769	12,404	13,137	13,800	14,463	15,125	
Resources																				
Stocks	2,100																			
Prod. (Cum.)	70	140	227	324	423	523	627	737	854	978	1,108	1,244	1,386	1,534	1,688	1,848	2,014	2,186	2,364	
Total (Cum.)	2,170	2,280	2,397	2,511	2,604	2,707	2,854	3,008	3,192	3,402	3,630	3,874	4,130	4,398	4,672	4,950	5,234	5,520	5,828	
Deficits (Cum.)	- 79	- 780	- 1,483	- 2,208	- 2,842	- 3,460	- 4,053	- 4,695	- 5,314	- 5,928	- 6,572	- 7,228	- 7,894	- 8,564	- 9,232	- 9,900	- 10,568	- 11,236	- 11,904	

- Notes: (a) Method of computation of requirements for tactical airplanes based on MOP plus augmentation Plans (4/19/36) - Number of airplanes required for initial mobilization plus 10% of this number (spare parts) plus another 10% of same number (depot reserve) plus maintenance (2/1 and 7/0) on the number in use each month, the total advanced 30 days in order that airplanes will be available on the first of each month in which they are to be used.
- (b) Production - Maximum potential capacity of the aircraft industry (Army Air Corps allocation only) 5/1/36.
- (c) Stocks as of Fiscal Year 1940 (U.S. Army only).
- (d) Requirements for training airplanes based on Colonel Fertling's training of replacement study 6/21/36 designed to meet expected production of tactical airplanes estimate of 2/1/36.

~~SECRET~~

CONFIDENTIAL

*RST  
War  
Johnson*

**SECRET**

WAR DEPARTMENT

OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

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DOD DIR. 5200.9 (9/27/58)

Date-2-18-59

Signature- *Carl L. Spicer*

November 4, 1938.

MEMORANDUM FOR THE PRESIDENT.

Herewith is a memorandum from the Chief of the Air Corps, together with blueprints outlining a typical factory capable of producing airplanes at the rate of 1200 units per year.

These factory plans have been developed by the best talent in the Air Corps, consisting of engineers and inspectors assigned to the various industrial plants in the country who gathered together and pooled their knowledge.

The Chief of the Air Corps assures me that plants made in conformity with these plans will be capable of producing 1200 airplanes per year on the average. Colonel Harrington of the Works Progress Administration assures me that he can build the plants in accordance with the plans, and he also thinks the estimate of cost is reasonable.

It is of interest to note that while the total cost of plants built on Government owned sites with available air fields will approximate \$10,000,000 each, the cost of plants requiring the construction of new air fields approximates \$15,000,000 each.

Colonel Harrington is leaving today for Chicago in order to confer with Mr. Hopkins, and will acquaint Mr. Hopkins with all the developments that have taken place on this general subject.

It is contemplated that in due course the necessary project papers will be submitted to you for approval.

I am glad to report that satisfactory progress is being achieved.

*Louis Johnson*  
LOUIS JOHNSON,

The Assistant Secretary of War.

Enclosures

**SECRET**

~~CONFIDENTIAL~~

WAR DEPARTMENT  
OFFICE OF THE CHIEF OF THE AIR CORPS  
WASHINGTON

November 4, 1938.

MEMORANDUM FOR: The Assistant Secretary of War.

1. In compliance with verbal directive a study has been made of the requirements of a typical factory capable of producing airplanes at the rate of 1200 units per year.
2. In arriving at the various factors used in determining the man hours of labor and square feet of floor space required, typical commercial plants were utilized in determining factors to meet requirements.
3. Two typical layouts are shown in Exhibit "A" (drawings C-1001, 1002, 1003). These drawings indicate the factory only, and land for factory space only. The additional requirements for connections to public highways, flying fields or a requirement of building a flying field have not been determined and can only be determined by the location of the factories.
4. Two types of buildings are shown in drawings C-1001 and C-1002. The one selected will be determined by the local terrain. Based on layout shown on drawing C-1002, Exhibit "B" represents the estimated cost of the buildings, general utilities and a Quarter-master Corps overhead of 5% and gives a total of \$8,655,806.25. If layout shown on C-1001 is used about 3% of the building cost will be realized.
5. Complete study of machinery and standard tool requirement could not be made in detail, but based on the equipment installed in typical commercial plants, an estimate of \$1,300,000.00 is made for such equipment exclusive of dies, jigs, fittings and special fixtures for a specific type of airplane.

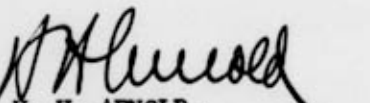
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Date- 2-18-59

Signature- Carl S. Spicer

  
H. H. ARNOLD,  
Major General, Air Corps,  
Chief of the Air Corps.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

WAR DEPARTMENT  
OFFICE OF THE CHIEF OF THE AIR CORPS  
WASHINGTON

November 4, 1938.

MEMORANDUM FOR: The Assistant Secretary of War.

1. In compliance with verbal directive a study has been made of the requirements of a typical factory capable of producing airplanes at the rate of 1200 units per year.
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DOD DIR. 5200.9 (9/27/58)

Date- 2-18-57

Signature- *Carl S. Spier*

*H. H. Arnold*  
H. H. ARNOLD,  
Major General, Air Corps,  
Chief of the Air Corps.

~~CONFIDENTIAL~~



~~SECRET~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

*PSF  
War  
Johnson*

November 4, 1938.

MEMORANDUM FOR THE PRESIDENT:

Further consideration of the problem of providing for the maximum production of aircraft by the commercial plants of this country indicates that it is necessary to enter into discussions with the leaders of this industry. We should ascertain the plans industry should follow in achieving their maximum production. It is also believed essential that we put industry to work immediately, certainly in so far as planning is concerned.

With your approval, I will arrange to discuss these questions with representative leaders of the industry at a meeting in Washington late next week, in such a way as not to disclose to them any of the plans outside maximum production from their own plants.

*Louis Johnson*  
LOUIS JOHNSON,

The Assistant Secretary of War.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-18-59

Signature- *Carl L. Spicer*

~~SECRET~~



1  
*Aviation*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

November 19, 1938

MEMORANDUM FOR THE PRESIDENT:

1. In accordance with your instructions, the following progress report is submitted with reference to the development of the plan for expansion of the Air Corps:

- a. Legislative Changes: The committee has been organized to draft legislation needed to permit full use of the production facilities of the aviation industry.
- b. Changes in Procurement Methods permitted by present laws: This general subject is under study and certain steps have already been authorized which will materially expedite the placing of large production orders when funds become available.
- c. Mechanics Training: The War Department has made available to the National Youth Administration a considerable quantity of hand and machine tools and contact has been established between the National Youth Administration and the Air Corps Technical Schools for the advancement of this phase of the program.
- d. Pilots' Training: A project for training of pilots utilizing all available civilian schools for the initial phases of training and the Army schools for completion of the training is under study. The assistance of the Civil Aeronautics Authority has also been received, as authorized by you, and the War Department is cooperating in their studies.
- e. Expansion of Industry: A conference with 14 leading manufacturers of the aviation industry is being held on Monday, November 21, 1938, to acquaint the industry with the scope of the airplane program in order that when funds are appropriated procurement may be initiated promptly.

- f. Air Arsenals: Plans for the four (4) aircraft factories to be constructed on the approved sites, Ogden, Denver, Dayton, and Harrisburg (New Cumberland), Pennsylvania, are being put into the form of specific Works Progress Administration projects. Three (3) additional sites remain to be selected from the following recommended in order of priority:

Gadsden, Alabama  
Dallas - Fort Worth Area  
Kansas City, Missouri  
Worcester, Massachusetts  
Moffett Field, California

- g. Research and Development: The initiation of the expansion of the laboratory facilities at Wright Field, Ohio, awaits approval of the Public Works Administration project for which recommendations have been submitted.
- h. Budget: The preliminary steps toward the development of a supplemental War Department Budget to provide the necessary additional funds have been taken. This study includes plans for the additional military personnel, organization and installations essential not only to the procurement program but also to the active operation of approximately 50% of the total airplane strength.

2. In accordance with your further instructions, the following items of the program can be further advanced by you without additional legislation:

- a. Support Program for Mechanics Training - (Army, Navy, and National Youth Administration).
- b. Support Program for Pilots' Training - (Army, Navy, and the Civil Aeronautics Authority).
- c. Authorize construction of air arsenals with WPA funds when projects are submitted to you.
- d. Provide funds for research at Wright Field for which recommendation has already been submitted.

*Louis Johnson*

~~CONFIDENTIAL~~ file

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

PSF  
War  
Johnson

November 23, 1938.

MEMORANDUM FOR THE PRESIDENT.

As a result of your criticism of the tentative plans outlining an aircraft factory capable of producing airplanes at the rate of 1200 units per year, on a single shift basis, I have had these plans restudied by a special group, consisting of:

Lt. Col. H. W. Flickinger, Air Corps,  
(formerly Estimator with Thompson-Sterrett Co.)  
Major K. B. Wolfe, Air Corps,  
(Factory Representative of the Air Corps)  
Captain John A. Austin, Air Corps,  
(formerly with Heggman-Harris Construction Co.)

I am pleased to report that this restudy indicates that a plant designed for the employment of two-shift production schedule, which is the normal practice of the commercial industry, will reduce the plant requirement by 50%, thereby reducing the construction cost from \$8,700,000 to \$4,525,000 per plant. This plant will be capable of producing 100 airplanes per month, farming out such component parts as are normally farmed out by the Commercial Aviation Industry. This estimate does not include required machine tool equipment which cannot be purchased with Works Progress Administration funds. I have been informed by the committee that basis of the plans and estimates in their present form compare favorably with recently built plants at the Boeing Aircraft Company, Douglas Aircraft Company, Curtiss Airplane Company, and the United Aircraft Company.

I have discussed the results of this study with Mr. Harry Hopkins and we agree that they are satisfactory. I am initiating action to construct plants utilizing Works Progress Administration funds on the following seven sites: Ogden, Utah, Denver, Colorado, Kansas City, Missouri, Dayton, Ohio, Harrisburg, Pennsylvania, Fort Worth, Texas, and Gadsden, Alabama.

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DOD DIR. 5200.9 (9/27/58)

Date- 2-17-59

Signature- Carl L. Spicer

Louis Johnson

~~CONFIDENTIAL~~

WAR DEPARTMENT  
WASHINGTON

*Fil Aviation* *BF*  
*War Johnson*

December 17, 1938

MEMORANDUM FOR THE PRESIDENT.

During the past few weeks the Civil Aeronautics Authority has been making studies of schemes for giving vocational flying training to a large number of selected civilians in order not only to promote civilian aviation but also to assist in meeting our national defense needs. The War Department has been pleased to work with the Authority and is very appreciative of the cooperation shown.

As a result of these efforts, the Civil Aeronautics Authority is now proposing a program as definite as present circumstances permit. This program has been reviewed by the Army Air Corps and is endorsed by it as is shown in attached letter.

In my opinion the program is an excellent one and should be of real assistance in the years to come in assisting the Army to meet its needs for pilots.

*Louis Johnson*

Enclosure

ADDRESS REPLY TO  
CHIEF OF THE AIR CORPS  
WAR DEPARTMENT  
WASHINGTON, D. C.

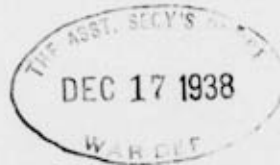
WAR DEPARTMENT  
OFFICE OF THE CHIEF OF THE AIR CORPS  
WASHINGTON

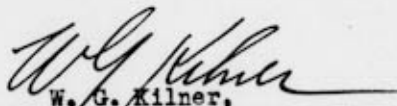
December 17, 1938

SUBJECT: Proposed C.A.A. Vocational Training Program in Aviation.

TO: The Assistant Secretary of War.

The proposed program for vocational training in aviation prepared by the C.A.A. has been reviewed in this office. It provides a long range program which should result in the creation of a pool of selected and partially trained flying personnel. It should be of material assistance in building up an air force for national defense and has the approval of this office.



  
W. G. Kilner,  
Brigadier General, Air Corps,  
Acting Chief of the Air Corps.

file  
private  
Raw file

PSF: L. Johnson  
War  
2-29  
1-2-39

My dear Mr. President,

This contradicts  
all prior information on the German  
effort to make gasoline in quantity from  
brown coal - of which they have an  
abundance.

Most respectfully,

Louis Johnson

Jan 3-39.

~~RESTRICTED~~

WAR DEPARTMENT  
OFFICE OF THE CHIEF OF THE AIR CORPS  
WASHINGTON  
December 30, 1938

MEMORANDUM FOR: The Assistant Secretary of War.

(Reference: Report No. 16,314 Berlin, Dec. 2, 1938)

1. The following is transmitted for your information:

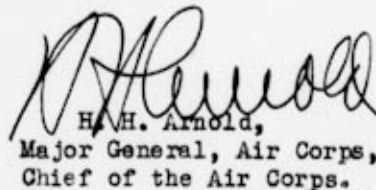
"1. Sometime ago (exact date unknown) a balloon barrage was introduced and tested for the protection of the Leuna Works.

"2. The Leuna Works, located in the southern environs of Merseburg, to the south of Halle, are probably Germany's most endangered armament works. This factory was built during the World War and the type of construction is of a nature which makes it easily subject to hostile air attacks. These works, on account of their 16 giant smokestacks, can be discerned from a great distance. It has been noted that a large number of anti-aircraft units have been garrisoned for several years in the vicinity of the Leuna Works.

"3. The factory now produces about 350,000 tons of artificial gasoline and from 100,000 to 200,000 tons of nitrate a year."

2. The following notes are interesting:

350,000 tons are about 116,000,000 gals.  
This will provide gasoline for about 7,700 planes  
flying 150 hours per year.

  
H. H. Arnold,  
Major General, Air Corps,  
Chief of the Air Corps.

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DD DIR. 5200.9 (9/27/58)

Date- 2-18-59

Signature- Carl S. Spicer

~~RESTRICTED~~



PSF War: Johnson

THE WHITE HOUSE  
WASHINGTON

January 7, 1939.

MEMORANDUM FOR THE PRESIDENT:

I attach herewith a report  
on Major Elliott, the alleged military  
expert of whom you spoke at the  
Defense Conference.

Very respectfully,



EDWIN M. WATSON  
Colonel, F.A.  
Military Aide to The President.

Incl.

War Department  
Office of the Chief of Staff

January 6, 1939.

MEMORANDUM FOR Chief of Staff.

The following information received from G-2 concerning Major George Fielding Elliott:

Born in Brooklyn, NY, in 1894.

Educated in Australia. Had 4 years service with Imperial Australian Forces and reached grade of Captain.

He was commissioned in the MI-Reserve in 1922 in grade of Captain and was promoted to Major in 1928. Has had 3 two-week tours of active duty—Jefferson Barracks, Leavenworth, and Washington. Principal occupation, auditor, later changed to writer.

Has record of having failed to pay his bills when on active duty in Washington, and subsequent to that, failure to pay another bill (1929). Refused to answer communications and for a long time not possible to reach him. He was dropped for failure to reply to official communications. Nearly a year afterward (1930) he claimed he had paid bill and stated probably Army-Navy Club had misplaced his check. Club stated they had never received check. Maj. Elliott finally admitted his financial conditions didn't permit payment.

Applied for reinstatement in Reserve Corps, which was disapproved - not recommended by Corps Area commander or A.C. of S., G-2.

O.W. *on* *ms.*

*no service in Army  
3 years - 2 weeks each in each*

THE WHITE HOUSE  
WASHINGTON

725 F - 1221  
G. Johnson  
file  
personal

Asst. Sec. of War Johnson sent  
this over for the President.

GEORGE FIELDING ELLIOTT

Born in Brooklyn, N. Y., in 1894. Educated in the public schools and high school of New York City and an Australian university which he attended for 6½ years.

Had 4 years' service with Imperial Australian Forces and reached grade of Captain. He reports that he was an Intelligence officer in Anzac forces in Egypt, Dardanelles, Salonika and France. He gives as his battle engagements Somme, St. Quentin, Ypres, Mons, Dardanelles.

He first was commissioned in the U. S. forces when appointed a Captain of MI Reserve in 1922. He was reappointed in the same grade in 1927 and promoted to Major, MI-Reserve in July of 1928.

He had three two-week tours of active duty - Jefferson Barracks, Leavenworth, and Washington, D. C.

He gave his principal occupation as auditor, but later changed it to writer.

Has record of having failed to pay his bills when on active duty in Washington, and subsequent to that another bill that he failed to pay (in 1929). Refused to answer communications regarding bills for quite a long time and it was not possible to get in touch with him. He was dropped for failure to reply to official communications. In 1930 he claimed he had paid bills and stated probably Army-Navy Club had misplaced his check. Club stated they had never received check. He finally admitted his financial conditions didn't permit payment.

He applied to be reinstated in Reserve Corps - disapproved - not recommended by Corps Area Commander or A.C.S., G-2.

*Additional  
to this  
W. B. Bennett*

THE WHITE HOUSE  
WASHINGTON

*PSF  
War  
Johnson*

January 14, 1939.

MEMORANDUM FOR

THE ASSISTANT SECRETARY OF WAR

I am delighted to have your memorandum about rubber, tin, etc.

Don't you think it might be advisable to have confidential information of this kind passed on to one man in Navy Department, State Department and Department of Commerce?

F. D. R.

~~SECRET~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

January 13, 1939.

MEMORANDUM FOR THE PRESIDENT:

A. ARTIFICIAL RUBBER.

Information has been furnished me that the Standard Oil Company is about to complete an arrangement with the German producers of artificial rubber for the utilization of the latter's process in this country. A production unit of about 10,000 tons annual capacity is contemplated as the first plant to be established here, to be followed by others as the demand appears. That the product is successful is indicated by the information that Germany will shortly have in operation a plant of 25,000 tons annual capacity, and before the end of the year a second plant of equal size, the two together supplying two-thirds of Germany's needs in rubber.

The cost of the artificial rubber will be about thirty cents per pound as compared to about seventeen cents for natural rubber today. However, the artificial product has superior qualities that offset this cost to a large extent. This development, therefore, gives promise of aiding materially in solving the problem of one of the most important of our strategic raw materials.

B. TIN.

Another strategic material which may form a bottleneck in an emergency is tin. I am now informed that the American Can Company, in cooperation with the International Nickel Company and the plate producers, have now developed a nickel plated can which can replace the tin can for all purposes and at no greater cost. The process of manufacturing the cans has been well worked out and could be put to use in an emergency by a simple change in equipment.

In view of your great personal interest in the strategic materials problem, Mr. President, I feel that I should bring these two developments to your attention. From the standpoint of national defense, they are most gratifying. With your continuing leadership, we'll crack these bottlenecks!

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DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature- *Carl S. Spicer*

*Louis Johnson*

~~SECRET~~

*file  
personal.*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

*PSF  
War  
Johnson*

January 16, 1939

MEMORANDUM FOR THE PRESIDENT.

1. Thank you, Mr. President, for your appreciative memorandum of January 14, 1939, regarding the information I furnished with respect to tin and rubber.

2. With reference to passing on such information to other Government departments, I would say that there now exists an informal Interdepartmental Committee on Strategic Materials, with representation from State, War, Navy, Commerce and Interior. The logical method for transmitting such information is through this agency, and in compliance with your suggestion I am arranging that this be done.

*Louis Johnson*



*RST - War - Louis Johnson*

*file  
confidential*

*d-1*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

March 7, 1939

MEMORANDUM FOR THE PRESIDENT:

In response to your memorandum of this date asking for information on the subject matter of the telegram to the Secretary of State from Ambassador Bullitt with reference to the project of Pierre Wertheimer, the following is submitted:

On December 21, 1938, Mr. Sol Rosenblatt brought Mr. Pierre Wertheimer to my office in order to introduce the latter to me.

On December 29th Mr. Wertheimer, accompanied by his engineer, had a conference with me at which were also present General Arnold, the Chief of the Air Corps, and Colonel Burns of my office.

As I recall the gist of the conversation, it was to the effect that Mr. Wertheimer was negotiating with Mr. Bendix, of the Bendix Corporation, with the view to building a factory, probably at New Orleans, for the purpose of manufacturing airplanes in the United States. He proposed to build the Amiot type of plane which is a two-engine bomber of French design. He proposed to bring into this country the necessary jigs, tools, etc., for the manufacture, and was to use some four or five French engineers and technicians in key positions. He claimed that he was manufacturing this same airplane in France and that due to a special riveting machine which his Company had created, the plane could be produced with considerably less man-hours of direct labor than other companies in any country could produce similar airplanes. He wanted to know whether or not the War Department would be interested in such a project and stated in substance that he would not pursue it unless he had the support of this Department.

I told him, in substance, that my first reaction to this project was adverse, that I would like to have him go over the whole project more in detail with General Arnold and General Arnold's assistants, and then have a discussion with me at a later date.

Mr. Wertheimer did have a conference with General Arnold, General Kilner and Major Fairchild, all of the Air Corps, and as a result of that conference, General Arnold sent me a memorandum from which the following has been extracted:

"At the conclusion of the conference I told Mr. Wertheimer to go ahead and do what he could until the situation clarified for him and he could determine what he wanted to do. I cautioned him not to take any definite action or to make any commitments, but when he had decided what he wanted to do to come back and see me so that I could bring him over for a conference with you (The Assistant Secretary of War) before any commitments were made."

Mr. Wertheimer did not consult again with either General Arnold or myself.

About December 29th I talked with you and advised you of this gentleman's presence and his intentions. You advised me to consult with Secretary Morgenthau, which I did on the day Mr. Murphy was sworn in as Attorney General. Secretary Morgenthau said he did not know of the presence of Mr. Wertheimer.

I was advised by General Arnold that he thought this project was connected with the French Mission. I share this opinion.

Any statement to the effect that I approved Mr. Wertheimer's project or that General Arnold approved of it is without foundation. Secretary Woodring is absent today on official business, but I know that he never approved of the project.

It is believed that this project would undoubtedly militate against the interests of the American aircraft industry, and would thus ultimately hurt the interests of National Defense. There are many reasons to support this conclusion, but I will not enumerate them as I understand they have been conveyed to you by Mr. Early.

*Louis Johnson*

Acting Secretary of War

COPY

THE WHITE HOUSE  
WASHINGTON

March 7, 1939.

MEMORANDUM FOR

THE ASSISTANT SECRETARY OF WAR

Will you let me know about this?

F. D. R.

Pres

JR

This telegram must be closely paraphrased before being communicated to anyone. (C)

Paris

Dated March 6, 1939

Rec'd 9:30 a.m.

Secretary of State,  
Washington.

408, March 6, noon.

As of possible interest to the Department I have to report that Sol Rosenblatt (see WHO'S WHO) called on me this morning and made the following statements:

Pierre Wertheimer accompanied by Senator de la Grange will sail Wednesday for the United States to conclude a deal for the establishment of a factory to manufacture Amiot light bombers in New Orleans. Kuhn Loeb and Company is prepared to put up three and a half million dollars for financing and the French Government has already placed an order for one hundred planes from the New Orleans factory, contingent upon its being established.

Rosenblatt (same) added that Secretary Woodring, Assistant Secretary Johnson and General Arnold were all entirely familiar with this deal and approved it unreservedly. He added that jigs and other machines would be exported from France to New Orleans so that within six months the factory could begin to deliver six planes a day.

*file  
confidential*

WAR DEPARTMENT  
WASHINGTON

*RSF  
WAS  
Johnson*

March 29, 1939

MEMORANDUM FOR THE PRESIDENT:

The exchange of letters of which copies are attached provides a basis of procedure to carry out the decisions made in the conference of January 21, 1939, relative to assistance from the Works Progress Administration for the Aviation Expansion Program.

While the contemplated use of Works Progress Administration funds to supplement appropriated funds will initiate the main features of the program on a minimum basis, additional funds may be required as explained in the January 21, 1939 conference.

*Louis Johnson*

Acting Secretary of War.

Enclosures.

C  
O  
P  
Y

WORKS PROGRESS ADMINISTRATION  
Walker Johnson Building  
1734 New York Avenue N. W.  
Washington, D. C.

F. C. Harrington  
Administrator

March 25, 1939

The Honorable  
The Secretary of War

My dear Mr. Secretary:

At a conference held on March 23, attended by Lt. Colonel Maxwell, Office Assistant Secretary of War, Major Arthur Wilson, Office of the Deputy Chief of Staff, and my Chief Engineer, Major Harloe, the question was raised as to what cooperation the Works Progress Administration could give to the War Department in the construction program contemplated under the proposed Aviation Expansion Program.

It is understood that the War Department will have available after July 1, 1939, a minimum of \$25,000,000 which can be used as sponsor's contribution for construction projects within the continental United States and Hawaii and that it is desired to know to what extent this Administration could participate in this construction.

On the assumption that the next appropriation for a work relief program will carry the same limitation on expenditures for other than labor costs as the current measure (\$7 per worker per month), the Works Progress Administration will be able to participate to the extent of about \$25,000,000 of which approximately \$2,500,000 could be used for material, equipment, and other than labor costs. This estimate is based on a knowledge of the general type of construction involved, and might be changed to some extent by the development of final plans. The possibility exists that on some individual projects the allowance for other than labor expenditures might be increased to more than \$7.00 per man per month, depending upon the availability of non-labor funds in the particular state where part of the construction is contemplated. In such cases the amount of funds required as sponsor's contribution from the War Department could be correspondingly reduced.

When the plans for individual projects are ready, the project application should be submitted to the State Works Progress Administrator concerned in the same manner that previous War Department projects in the State Programs have been processed.

Sincerely yours,

(Signed) F. C. Harrington  
Administrator

March 29, 1939.

Colonel F. C. Harrington,  
Works Progress Administrator.

Dear Colonel Harrington:

Your letter of March 27, 1939 outlining the prospective assistance from the Works Progress Administration in the accomplishment of the construction required by the Aviation Expansion Program has been received.

The thorough and whole-hearted cooperation of your Administration in the effort to find a workable solution to this important and urgent problem of the War Department is very much appreciated, and I desire to thank you personally for your consideration of our requirements.

Sincerely yours,

(Signed) LOUIS JOHNSON

Acting Secretary of War.



WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

THE WHITE HOUSE

May 4, 1939. <sup>4</sup> 4 12 39 PM '39

RECEIVED

MEMORANDUM FOR THE PRESIDENT:

The War Department recently received an inquiry from Mr. Healy of the Irish Legation as to the availability of eight American firms for the manufacture of eighteen items of munitions for the Irish Free State all as listed on the attached inclosure.

After consultation with Under-Secretary of State, Mr. Sumner Welles, it was decided to make the following reply which conforms to the regular policy:

"The War Department has no objection to the Irish Legation's contacting the firms listed in the attached memorandum relative to manufacturing equipment for the Irish Free State, provided, of course, that the department's procurement program would not be unduly delayed by any orders the Irish Free State might place."

At the suggestion of Mr. Welles, this memorandum is forwarded for your information.

*Paul Johnson*

*file  
Confidential*

*BF  
War  
Johnson*

Left with G-2 by Mr. Healy of Irish Legation who desires assistance of W/D in preparing reply to Ireland.

4/28/39 J.H.B.

- Item No. 1 31 antitank guns 2 pounders
- Item No. 2 58,000 rounds antitank armour piercing ammunition 2 pounders
- Item No. 3 8 guns approximately 5 inches calibre
- Item No. 4 8 howitzers approximately 6 inches calibre (mechanized, complete with instruments and accessories for 2 batteries each, less tractors).
- Item No. 5 18,000 rounds of ammunition guns item No. 3
- Item No. 6 18,000 rounds of ammunition howitzers item No. 4
- Item No. 7 12 howitzers 4½ inch calibre (mechanized, each with one ammunition trailer and complete with latest instruments, spare parts and accessories for 2 batteries, but less tractors and wireless sets)
- Item No. 8 15,000 rounds of ammunition high explosives for howitzers item No. 7
- Item No. 9 4,000 rounds smoke ammunition for howitzers item No. 7
- Item No. 10 68 searchlights 90 centimetres complete with generating sets sound locators and small standard stores
- Item No. 11 8 predictors for 3.7 inches antiaircraft guns
- Item No. 12 15,000 military pattern anti-gas respirators
- Item No. 13 32,000 service container respirators
- Item No. 14 8,000,000 rounds .303 inch machine gun ammunition in stripless belts
- Item No. 15 2,000 prismatic binocular magnification 6
- Item No. 16 3,000 revolvers 3/8 inch calibre
- Item No. 17 23,000 rounds 81 millimetres mortar ammunition small capacity
- Item No. 18 8,000 rounds 81 millimetres mortar ammunition large capacity

Please ascertain immediately through appropriate channels whether and when firms in question would be in a position to supply stores mentioned stop Cable information as soon as possible stop In the meantime ascertain and telegraph opinion War Department as to likelihood their being available

Colt Patent Firearms Company  
Hartford, Connecticut

Bethlehem Engineering Export Corporation  
67 Wall Street, New York City

U. S. Steel Corporation  
New York City

National Forge and Ordnance Company  
Irvine, Pennsylvania

The York Lock and Safe Company  
York, Pennsylvania

Messrs. Bausch & Lomb Optical Company  
Rochester, New York  
Messrs. Sperry  
Brooklyn, New York

Lt. Col. J. O. Daly  
420 East Leyland Street  
Chevy Chase, Maryland

file.  
Confidential

PSF  
War  
Johnson

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

August 16, 1939

MEMORANDUM FOR THE PRESIDENT:

In accordance with your directive of June 2, 1939, I sent Capt. W.R. Winslow to England to study the British Electricity Supply System with particular reference to adequacy and continuity of supply during war.

The salient facts are as follows:

The essential element is the "British Grid", a network of high-tension lines covering all England and Southern Scotland, so laid out that all important load and generation centers are served by at least two separate Grid connections.

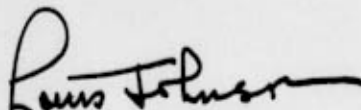
The system is supervised by the Central Electricity Board and is divided into nine districts, each operated by its own staff. It can be interconnected in many ways and may be controlled from one or more centers.

The Grid has proven a distinct success, from standpoints of efficiency and popularity. Savings by reason of reduction in reserve plant and the concentration of production in most economic stations totaled, by the end of 1938, over 22 million pounds. It has accelerated use of electricity in rural areas, increased decentralization of industry, and given impetus to railway electrification. Finally it is the fundamental element in the protection of the supply of electric power in war.

The system's flexibility permits restriction of war preparation measures to:

1. Shelter for personnel, including gas masks and decontamination equipment
2. Splinter proofing of important equipment
3. A mobile reserve of emergency line and connection equipment stored at strategic points for rapid repair work.

The fact that complete bomb proofing of even the vital plants is not necessary has resulted in great savings.



LOUIS JOHNSON  
Chairman, National Defense Power Committee

*file  
punch*

WAR DEPARTMENT  
WASHINGTON

*PSF  
War  
Johnson  
Bx 40*

August 25, 1939

MEMORANDUM FOR THE PRESIDENT:

Canadian Minister of National Defense McKenzie and Air Marshal Bishop phoned me last night from Ottawa, advising that Air Commander Steadman would arrive in Washington about noon today, and that the Canadian government desired to secure immediately

- 35 Douglas B-18 (two-engine medium weight bombers);
- 15 Advance Trainers (North American 16 type); and
- 15 Consolidated Flying Boats (two-engine Navy type).

They referred discreetly to the White House conference with Air Marshal Bishop, and the discussion there of full cooperation. It was at that time expressed to them that these planes were not on the shelf, awaiting a buyer, but had to be manufactured, and I referred generally to the difficulties in the telephone conversation last night.

I am sending you this memo because I gathered from the discussion that you would in some way be hearing from the Prime Minister of Canada, asking your aid in getting these planes immediately. Of course there is no authority by which the Army or Navy could turn over any of these types. We will do the very best we can for Canada. The first two types the Army has in production and they could come off the Army production line; the third is not in production so far as I am informed and would necessitate the assembling of materials.

*Louis Johnson*

*PST War Johnson*

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~

August 29, 1939.

MEMORANDUM FOR

THE ASSISTANT SECRETARY OF WAR

Will you speak to me  
about this?

F. D. R.

No. 1626 - Secret message from  
Ambassador Bullitt in re number  
of planes which the countries  
concerned in the crisis now have  
in case of war.

*file  
presnal*

*PSF  
War  
Johnson*

August 31, 1939.

**MEMORANDUM FOR THE PRESIDENT:**

I am glad to inform you that the ~~Canadian Government~~ has just signed the contract with the Douglas Aircraft Corporation for 20 - 2-engine bombers, all to be delivered within twenty weeks; and with the North American Aviation Corporation, for 15 training planes, all to be delivered within six weeks.

~~The Canadian representatives are~~ very much pleased with the arrangements and are grateful to the American Government for the cooperation extended through the Army and the Navy.

*Louis Johnson*

file  
personal

PSF: Louis Johnson  
War

WAR DEPARTMENT  
WASHINGTON

September 2, 1939

~~CONFIDENTIAL~~

MEMORANDUM FOR GENERAL WATSON:

Enclosed are the notes covering the phases desired by the President. I have checked them with Edison, and Edison has checked another copy with me. He is sending that to you also.

Louis Johnson

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 2/12/59

Signature-

Carl J. Speer



*For the President -*

Modern warfare is a test of economic as well as of military power. For each belligerent nation it involves not only a comprehensive mobilization of its own productive facilities, but extensive purchases of munitions and materials in other countries. In past wars these intensive demands resulted in enormous advances in the prices of commodities and the question therefore naturally arises: Is not a new era of so-called inflation inevitably in prospect? To some the thought suggests the possibility of speculative gains from buying early to avoid the rush; to the great majority, however, it causes deep concern over the purchasing power of wages, salaries, and other forms of income.

Before we grow excited over this question it is well for all of us to have in mind a few relevant facts. First, it should be recalled that after the outbreak of the World War it was twelve long months before a general advance in prices began.

Second, the purchasing power of Europe is now smaller than it was in 1914; hence even though the flow of war orders might begin earlier this time, it would be restricted in magnitude. Moreover, instead of frantic competitive bidding, even among allies, there will doubtless be a coordinated purchasing program.

Third, the large surplus stocks of agricultural products and the extensive unutilized capacity of industrial establishments at the present time are powerful restraining factors.

Finally, controls may be utilized to prevent undesirable advances in prices. The world has learned from bitter experience that the sky-rocketing of prices does not help in winning wars, but results rather in the waste of resources, in gross inequities in meeting the burden of war costs and in endless controversy and industrial strife. At the end of the war it leaves baffling problems of readjustment which delay for years the process of reconstruction. Accordingly, in every country the control of prices has become a principle of primary significance in war mobilization programs. It is recognized everywhere that price inflation and profiteering have no proper place in a war program.

*Louis Johnson*

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.  

---

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$300

GENERAL E. M. WATSON

C O N F I D E N T I A L

WAR DEPARTMENT  
WASHINGTON

September 11, 1939.

*PSF War*  
*Louis Johnson*

MEMORANDUM FOR GENERAL WATSON:

Mr. Thomas Morgan phoned me that he had visited Senator George in the hospital and the Senator's reaction is -

1. "The President ought to ask for the repeal of all the neutrality law."
2. "Purchasers of equipment should do their own financing."
3. "The United States should prohibit shipping of munitions on American ships."

Mr. Morgan supports the President and has been trying to enlist the active support of Senator George in backing up the President. He now thinks the Senator will do so.

*Louis Johnson*

Sept 17, 1939

*PSF War  
Johnson*

In re-Secret code Radiogram received at War Dept  
and sent to Cordell Hull by Johnson for the President.

In re-unjustified bombing of three villages in Poland

See: Cordell Hull folder-Drawer 1-1939

file  
journal.

PSF  
Miss Lathrop  
Johnson  
War

October 21, 1939

Bx  
40

My dear Mr. President:

I enclose you herewith a  
photostatic copy of page 2520 of the  
Congressional Record for February 14,  
1911, covering in part the speech of  
Speaker Champ Clark with reference to  
Canada.

Sincerely yours,

Louis Johnson

The President  
The White House

Enclosure

changed it, and we would have to go through the performance of adopting it if they changed it.

Mr. GARDNER of Massachusetts. One other question.

Mr. CLARK of Missouri. Yes.

Mr. GARDNER of Massachusetts. Is the gentleman aware that when the reciprocity treaty was arranged between France and Canada in 1907 to 1909 that, as a matter of fact, the French Senate did amend the treaty in a very important respect, and that Canada promptly came to terms?

Mr. CLARK of Missouri. That might be. I do not say that Canada would not come to terms.

Mr. GARDNER of Massachusetts. Then it will not destroy the agreement.

Mr. CLARK of Missouri. I do not say that Canada would not come to terms if we changed it, and I do not say we would not come to terms if Canada changed it, but what I do say is, that if either one of us changes it, it must go back to the commissioners again, and that is an endless chain performance that I have no use for.

Mr. GAINES. Will the gentleman permit me?

Mr. CLARK of Missouri. Yes.

Mr. GAINES. Is the gentleman exactly correct—I know he intends always to be—in his statement that Canada is considering precisely this same bill? Canada is not considering precisely the same proposition, although Canada is, of course, considering a bill which was provoked by this convention or agreement between the two countries. Is the gentleman authorized to say that any one of the American commissioners has agreed to the proposition contained in the Canadian bill, when they provide that any advantages given us by their bill shall be shared by all countries that have the favored-nation treaty with Great Britain?

Mr. CLARK of Missouri. Well, I do not care to go into that, as it would take too much of my time. I have stated substantially what the situation is. I have always been this sort of a philosopher, or statesman, or whatever you please to call it, that if I can not get a whole loaf I will take a half loaf rather than to have no bread at all. And I think that is practical and wise. This bill is merely a step in the right direction.

I am not in favor of every item in this bill. If I had been drawing a reciprocity treaty I would have drawn it differently from this in a great many respects. But I was not drawing the treaty. I have got to do one of two things with respect to this bill, and that is either to vote for it intact or to vote to amend it and practically kill it, because that is what the amendment of it would amount to.

There have been three or four good Democratic speeches made on this bill by the gentleman from Pennsylvania [Mr. A. MITCHELL PALMER], the gentleman from Alabama [Mr. UNDERWOOD], the gentleman from New York [Mr. HARRISON], and the gentleman from North Carolina [Mr. THOMAS], and three of those men are to be members of the next Democratic Ways and Means Committee, which has been already selected so far as the Democratic members are concerned. Mr. PALMER states his case in a nutshell in these words:

In the consideration of a reciprocal trade agreement between the United States and any foreign country the discussion is very apt to lose sight of two important factors. First, that it takes two to make a bargain, and the agreement must, from the necessities of the case, contain concessions on the part of each of the contracting parties; and, second, that the bargain when made applies with equal force and effect and extends to every part of the countries affected.

I wish to suggest to my party fellows that if this bill is passed it is not the end of the chapter or the end of the world. At high noon on the 4th day of March we shall come into the possession of this House, and if this treaty does not go as far as we want it to go, we can then make it go still further. [Applause on the Democratic side.]

Mr. DALZELL. Will the gentleman yield a moment?

Mr. CLARK of Missouri. Yes.

Mr. DALZELL. The gentleman says his party will come into power after the 4th of March?

Mr. CLARK of Missouri. In the House.

Mr. DALZELL. Suppose this treaty does not pass at this session of Congress. What will his party do with it if it is put up to them at the next session of Congress?

Mr. CLARK of Missouri. "Sufficient unto the day is the evil thereof." [Laughter and applause.]

Mr. DALZELL. Would you pass this bill?

Mr. CLARK of Missouri. I think we might amend it and pass it. The chances are that we would pass a tariff bill that would very largely take the place of this bill; a bill that, to say nothing of this bill at all, will go into every branch of the subject; a bill or bills. And I want to say that while I am in favor of taking a separate bill for a separate schedule in order to expedite revision downward, in the end 14 separate bills for

14 separate schedules would amount to an entire tariff bill. The Democrats are committed to a revision of the tariff, and, so far as this House is concerned, we are going to revise it, wisely and thoroughly, according to promise.

Mr. KENDALL. Will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Iowa?

Mr. CLARK of Missouri. Yes.

Mr. KENDALL. I want to inquire if the gentleman is accepting this bill as a substitute for a general tariff revision?

Mr. CLARK of Missouri. Good heavens, no! [Laughter and applause on the Democratic side.] I am accepting this for what it is worth, and no more, as a step in the right direction.

Mr. KENDALL. Will the gentleman be kind enough to tell us what it is worth?

Mr. CLARK of Missouri. The chief thing that this country needs in its business is a wider market, and I am in favor of this reciprocity bill because it gives wider markets to American products. That will be one great point gained. Considered as a whole our exports are large, but our per capita exports are smaller than those of any other great commercial nation on earth, which is not a healthy condition. As much as any other living man I desire to see them increased. Therefore I am for this bill, because it will increase our exports. I am in favor of this bill because it establishes closer trade relations with one of our nearest neighbors, and the closer trade relations you have with your neighbors the better off you are. When Thomas Jefferson delivered his first inaugural on the 4th day of March, 1801, he enunciated the principles upon which this Government should be conducted, and one of the principles was: "Peace, commerce, and honest friendship with all nations; entangling alliances with none." That has been the mainspring of our policy ever since, or should have been. We have spent or will spend somewhere in the neighborhood of \$500,000,000 to build the Panama Canal. Therefore I am in favor of the reciprocity treaty to promote our trade relations. That is what we spent that money for. We are not spending that vast sum because we are altruists, but as a business matter. I am for it, because I hope to see the day when the American flag will float over every square foot of the British-North American possessions clear to the North Pole. They are people of our blood. They speak our language. Their institutions are much like ours. They are trained in the difficult art of self-government. My judgment is that if the treaty of 1854 had never been abrogated the chances of a consolidation of these two countries would have been much greater than they are now.

Mr. MARTIN of South Dakota. Will the gentleman favor the abrogation of our tariff law entirely so far as Canada is concerned, and making free trade with Canada on all products?

Mr. CLARK of Missouri. By taking Canada in to become a part of the United States; yes.

Mr. MARTIN of South Dakota. No; I mean commercially. Would the gentleman support a policy of complete free trade with Canada on all products?

Mr. CLARK of Missouri. I would support a Democratic tariff bill, prepared by the Ways and Means Committee, brought into a Democratic House, and passed by that Democratic House. [Applause on the Democratic side.]

Mr. MARTIN of South Dakota. A bill putting all Canadian importations on the free list?

Mr. CLARK of Missouri. I never said any such a thing.

Mr. MARTIN of South Dakota. I am asking you that.

Mr. CLARK of Missouri. It does not make any difference what you are asking.

I believe in universal peace. I am in favor of that. I have never joined the universal peace society. My kindred have fought in every war that this country ever waged. Nine of my kinsmen on my father's side were in the Revolutionary Army, and several on my mother's side; but I am in favor of universal peace, and I am in favor of this reciprocity treaty because it helps along the cause of universal peace. [Applause.] I believe that commercial relations properly established with the nations of the earth and The Hague Peace Tribunal will bring universal peace. I extract infinite pleasure out of the prospect of a flying machine. It will do two things which I want to see done. It will put an end to war, because you can not have a war if somebody can get above an army with a bucket of dynamite and kill 10,000 men in 10 seconds. Flying machines will also put an end to this high protective tariff system, because you can not collect the tariff from a man unless you catch him with the goods on him. [Laughter.]

Mr. NOBBS. I wanted to ask the gentleman something along the line of universal peace. As I understand it, the gentleman favors this bill for at least one reason—that it will have a tendency in the end to bring Canada into the Union.

Mr. CLARK of Missouri. Yes; I have no doubt about that.

November 17, 1939.

*BF  
Johnson  
War*

Memorandum for the President

From Louis Johnson

Subject: Proposed acquisition by the War Dept of U.S. Ships made  
surplus by the Neutrality Act

See: Neutrality folder-Drawer 2-1939



PSF: War Dept: Johnson

THE WHITE HOUSE  
WASHINGTON

*Conf file*

11/23/39?

MEMO FOR THE PRESIDENT:

In the event you approve  
this announcement, would you  
consider letting me make it  
here for you instead?

MHM

*OK.  
Wait till L.J.  
not to add to  
the statement*

**THE WHITE HOUSE  
WASHINGTON**

11/23

Col. Johnson:

"STE is away and they have an awfully hot spot here.

"The President told me to arrange conferences with the high officials of the aviation industry and this was fixed, as he knows, for Monday. It was secret. Some of the special writers like Doris Fleeson and somebody of the Tribune have discovered that there was such a meeting. We should let the wire services and others know -- they have played ball.

"In view of the secrecy of the thing I don't want to issue any statement unless we get clearance from Mac or STE or the Boss.

"This is statement I want to issue if I can get an OK:

"In response to inquiries on the purpose of the meeting of War Dept. officials with certain high officials of the Aviation industry, just concluded in Washington, Louis Johnson, Asst. Sec. of War, stated: 'The meeting was one of a number now being conducted between the War Dept. and prominent industrial officials. The main purpose of the conferences is to endeavor to move bottlenecks in industry to increase its efficiency as a factor in national defense. As there is every evidence that there will be a marked increase in the Army's

**THE WHITE HOUSE  
WASHINGTON**

-2-

in this industry was a necessary factor in War Dept. planning.

"One result of the three days of informal meetings and discussions," Mr. Johnson said, "was the unanimous agreement and willingness of the manufacturers to cooperate immediately in any Govt. defense program."

- - - -

Col. Johnson said to tell the President that the meeting was 100% satisfactory.

K

December 7, 1939.

PSF  
Johnson  
War

Memorandum for Director of the Budget-Harold Smith  
from the President, asking him to speak to him about the  
enclosed memorandum from Louis Johnson regarding funds  
necessary to be included in the budget for a well balanced  
program of National Defense.

See:War Department folder-Raw File-Drawer 4-1939

*PSF  
W. J. Johnson*

THE WHITE HOUSE  
WASHINGTON

December 7, 1939.

MEMORANDUM FOR  
THE DIRECTOR OF THE BUDGET

Will you speak to me  
about this?

F. D. R.

*Sample*

MEMORANDUM FOR THE PRESIDENT.

November 21, 1939.

*PSF, General Program*

From time to time I have brought to your attention certain specific problems relating to plans for the mobilization of industry in support of a possible war effort. Notable among these were the strategic materials, educational orders, and reserve machinery programs, on which, largely because of your personal interest, substantial progress has been possible.

In preparing any well balanced program for the national defense, however, several additional problems related to the mobilization of industry present themselves. Chief among these are: adequate personnel for procurement planning; the rehabilitation and rounding out of the manufacturing equipment at Government arsenals and the purchase of factory plans from private industry. The significance of these problems is discussed briefly in the following paragraphs:

For some seventeen years, planning for the procurement of munitions in an emergency has been pursued by the War Department in Washington and in the field with inadequate personnel. The organizing of private industry, from which over 90% of munitions production must come, has suffered accordingly, especially as regards the completeness and reliability of the plans so prepared. The present unusual interest of private industry in munitions manufacture should, in my opinion, be capitalized by completing as soon as practicable plans for its effective utilization in an emergency. Adequate planning along this line will, of course, reduce materially the quantity of munitions otherwise needed in war reserve. Sufficient personnel to complete this planning I consider of highest priority in our preparations for industrial mobilization.

With respect to our manufacturing arsenals and depots, these establishments are primarily laboratories, where the art of special munitions manufacture is kept alive in peace, where cost data for contract purposes can be obtained and where private industry can learn, in an emergency, the method of producing munitions in quantity. To serve these purposes effectively, arsenals must keep modern in equipment and in method. Since seventy per cent of the machine tool equipment now installed at arsenals is over twenty years old, expenditures for remedying this condition will add materially to our readiness for defense.

In regard to the purchase of factory plans, experience has demonstrated that this is an effective method of facilitating private plants with their possible emergency production schedules for munitions. If dependable results are to be obtained, however, the Government must pay for the preparation of these plans; consequently funds for their procurement are considered an important element in industrial preparedness.

Estimates of funds necessary to implement all of the above categories of activity are included in the War Department estimates, regular and supplemental, for the fiscal year 1941. These estimates have been carefully considered and their approval, in so far as consistent with your general program, is strongly recommended.

LOUIS JOHNSON,  
The Assistant Secretary of War.

Incl. (Chart)

RSF  
Louis Johnson  
War

For correspondence on Informal Committee, headed by Capt Collins, Director of Procurement, Treasury Dept, created by the President on Dec 6, 1939 to represent the American Government in its contacts with the interested Foreign Govs in all matters relating to the purchase of supplies, equipment and materials; also for Joint letter of Dec 9th from Louis Johnson and Sec Edison relating to the above Committee and the President's Memo to Edison of Dec 13th on the same subject.

See: Collins memo to Pres of Dec 20, 1939  
Treasury folder-Drawer 1-1939



PSF

Johnson  
1-29  
War

For the attached reports and others of later dates:

See: Raw File (War Dept folder) Drawer 4-1939

ARMY AND NAVY MUNITIONS BOARD

Report--No 4

November 1, 1939.

Memorandum for the Asst Secretary of War-Louis Johnson  
From Col. Charles Hines-U.S. Army

Subject--FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES:

Finland

Canada

Belgium

Mexico

France

See: Raw File-(War Dept folder) Drawer 4-1939

*Johnson*

November 24, 1939.

Report--No 6

MEMORANDUM FOR THE ASST SECRETARY OF WAR-Louis Johnson  
From Col Charles Hines-U.S. Army

Subject: FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES

Great Britain

Canada

France

Latvia

Union of South Africa

Rumania

Tabulation on Searchlight Orders

See:Raw File-(War Dept folder) Drawer 4-1939

*Johnson*

December 1, 1939.

Report--No 8

Memorandum for The Asst Secretary of War--Louis Johnson  
From Col Charles Hines-U.S. Army

Subject: FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES

Finland

Lockheed Aircraft Corp

Remington Arms Co

Dupont Company

Exports of Steel

---

Report--No 7 FOREIGN INQUIRIES FROM THE FOLLOWING:

Great Britain

France

Canada

Mexico

Netherlands

Finland

Brasil

Union of South Africa

Scrap Iron

Reports from Embassies on Orders Placed

Export Licenses

December 5, 1939.

Report--No 10

Memorandum for the Asst Secretary of War--Louis Johnson  
From Col. Charles Hines--U. S. Army

Subject: FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES

Irish Free State

France

China

Finland

Yugoslavia

Embargo on Airplanes

Conf with Pratt & Whitney Representatives

See:Raw File9War Dept folder) Drawer 4-1939

ARMY AND NAVY MUNITIONS BOARD

Report--No 12

December 9, 1939.

Memorandum for the Asst Secretary of War-Louis Johnson  
From Col. Charles Hines-U.S. Army

Subject FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES:

Belgium

Canada

Finland

Great Britain

Netherlands

Turkey

Union of South Africa

Yugoslavia

See: Raw File(War Dept folder)Drawer 4-1939

ARMY AND NAVY MUNITIONS BOARD

December 13, 1939

*Johnson*  
1

Report--No 13

Memorandum for the Asst Secretary of War-Louis Johnson  
From Col. Charles Hines-U.S. Army

Subject--Foreign inquiries for production of munitions  
from the following countries

Finland

Belgium

Sweden

Argentina

Brazil

Norway

See: Raw File(War Dept folder) Drawer 4-1939

ARMY AND NAVY MUNITIONS BOARD

December 18, 1939.

Report 14

Memorandum for the Asst Secretary of War--Louis Johnson  
From Col. Charles Hines-U.S. Army

Subject: FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS  
FROM THE FOLLOWING COUNTRIES:

Belgium

Brazil

Canada

Chile

Finland

Haiti

Norway

Yugoslavia

Export of Airplanes

Export of Industrial Furnaces

See:Raw File(War Dept folder) Drawer 4-1939



*PST War*

*Johnson  
1-1940*

ARMY AND NAVY MUNITIONS BOARD

All reports from the Above Board, which forms part of the General Board, on the following subject:  
FOREIGN INQUIRIES FOR PRODUCTION OF MUNITIONS outlined by Col Charles Hines, Chairman, Clearance Commission for Louis Johnson.

See: Raw File (War Dept folder) Drawer 4-1939

## MEMORANDUM

[1939]

PSF  
War  
Johnson

## New Naval Building Program

Increase the present authorized tonnage of combatant ships by 20%

The result of this increase for combatant ships would be as follows:

	3	Additional Battleships making a total of	18
	2	Additional Aircraft carriers making a total of	8
	8	Additional Cruisers making a total of	47
	25	Additional Destroyers making a total of	147
	9	Additional Submarines making a total of	58
Total	<u>47</u>		<u>278</u>

An authorization for approximately 1,000 additional airplanes.

The bill authorizes the construction of the following auxiliary vessels

	5	Destroyer tenders
	3	Submarine tenders
	4	Large seaplane tenders
	7	Small seaplane tenders
	3	Repair ships
Total	<u>22</u>	

679,800,000

The cost to be approximately ~~Eight~~ hundred million dollars.

This new navy building program when put in commission will require an increase of approximately 1200 officers and 20,000 enlisted men.

Original of this memo put in  
War Dept folder-Raw file  
Drawer 4-1939

*PSF  
Wal*

January 19, 1940.

**MEMORANDUM for The President.**

1. For your information: with a view to later quantity production of more efficient Pursuit Aircraft, on a competitive basis, I have recently entered into the experimental contracts appearing below for Single Engine Pursuit Aircraft having the indicated high speeds:

Grumman Aircraft Engineering Corporation,  
425 miles at 25,000 feet.

Curtiss-Wright Corporation,  
410 miles at 15,000 feet.

Republic Aviation Corporation,  
400 miles at 15,000 feet.

2. A contract is likewise in process as indicated below for a Two-Engine Pursuit Airplane:

Lockheed Aircraft Corporation,  
473 miles at 20,000 feet.

3. All of the above airplanes have substantially increased fire power over that presently available as well as protective armor plate for the pilot and protective rubberized fuel tank coverings installed for the purpose of preventing conflagration resulting from incendiary bullets.

Franklin D. Roosevelt Library

**DECLASSIFIED**

**DOD DIR.** 5200.9 (9/27/58)

Date- 2-20-59

Signature-

*Carl F. Spicer*

Louis Johnson,  
The Assistant Secretary of War.

~~SECRET~~

*file  
Confidential*

*PSF  
War  
Johnson*

April 30, 1940

THE WHITE HOUSE  
APR 30 10 01 AM '40  
RECEIVED

Dear Mr. President,

The enclosed ratio of 3.9 to 1  
of air superiority for Germany is something  
that will have to be corrected before there  
is much change in results over there.

Sincerely,

*Louis Johnson*

The President  
The White House

ADDRESS REPLY TO  
CHIEF OF THE AIR CORPS  
WAR DEPARTMENT  
WASHINGTON, D. C.

WAR DEPARTMENT  
OFFICE OF THE CHIEF OF THE AIR CORPS  
WASHINGTON

April 26, 1940

~~CONFIDENTIAL~~

MEMORANDUM FOR THE ASSISTANT SECRETARY OF WAR:

A study made of the bombardment planes on hand by England, France, and Germany, based upon information received of their airplane strength last summer just prior to the Polish campaigns, gives some very interesting results.

For targets about 150 miles away from the bases, Germany, by utilizing all of her bombers can carry a load of 4,450,000 pounds of bombs, while Great Britain and France are limited to a bombing load of approximately 3,050,000 pounds. This gives Germany a superiority of about 1.46 to 1. This superiority increases as the range of the target from the base increases. For instance, at 450 miles, the Germans' superiority is 1.5 to 1, and at 750 miles Germany can carry a load of about 1,750,000 pounds as against 450,000 which Great Britain and France can carry, or a superiority in favor of Germany of about 3.9 to 1.

In preparing the above figures, the radius of action was taken as three-eighths the maximum range with the normal bomb load. That method of computing radius of action is now adopted as standard with all of our War Department computations.

It is interesting to note that Germany had at the time this information was received 756 Heinkel 111's, with a radius of action of about 800 miles, whereas Great Britain had four types capable of reaching 600 miles and three types capable of reaching 700 miles - 18 Sunderlands, 120 Lockheeds and 120 Vickers (72 Vickers "Wellesley" and 48 Vickers "Wellington") - while France had but one type capable of reaching 750 miles, which was the Farman plane of which they had but 24.

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DECLASSIFIED

DOD DIR. 5200.9 (9/27/54)

Date- 2-28-59

Signature-

*Carl S. Spicer*



*H. H. Arnold*  
H. H. Arnold,  
Major General, Air Corps,  
Chief of the Air Corps.

~~CONFIDENTIAL~~

WAR DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY  
WASHINGTON, D. C.

PSF: Louis 29.1  
Johnson  
War file

May 15, 1940.

MEMORANDUM FOR THE PRESIDENT.

Subject: Program for Creation of Air Power.

1. Events in Europe of the last few months, and especially of the last few days, convince me that this government and this country must accept the fact that air power is not simply an auxiliary to land and sea forces. It has become a paramount factor in national defense.

2. At the time of Munich, in October 1938, you foresaw the full portent of air power. You inaugurated action looking to a very substantial increase in our air force. You desired large increases in planes, a more extensive program for the establishment of a reservoir of pilots and a very appreciable expansion of the aircraft industry. Your purpose was to add to our air fighting strength and to provide for replacements for the large losses that inevitably result from combat.

3. A program was adopted calling for some 5,400 planes, of which 3,000 would be of the fighter class. Although some funds were made available in May 1939, the program did not become effective through legislation until July 1, 1939. Immediately the War Department set out to achieve its purposes. As early as the fall of 1938, and in anticipation of an expansion program, it had completed plans for the placing of contracts. Most contracts were let as quickly as the funds became available and industry immediately got under way.

4. In spite of these efforts, America today has approximately 1,350 fighting planes. By January 1, 1941, under present conditions, we will have 1,700. On July 1, 1941, we will have 3,000. The original program called for 3,000 fighting planes on or by July 1, 1941, and that number we expect to achieve. Of these 3,000, only 2,000 will be available in fighting units; the other 1,000 will be in reserve. It takes time to build planes and the figures here presented are clearly indicative of the importance of the time factor. In looking ahead, our time factor must include the period between your decision and the availability of the planes as a fighting force.

Our air procurement planning program should also consider the reserve factor. Based on battle experience, it is fair to say that for every two planes available, there should be one held in reserve.

5. Our plans call for 800 planes with the units in our overseas possessions and a reserve of 400 for them. Based on these figures, it is clear that if we were to take care of the full needs of our overseas possessions, we would have in this country today but 150 fighting planes. At the present time, planes are the limiting factor. In a few months, pilots may become the limiting factor. To aid in providing the additional pilots, the program of May 14, 1940, was approved by you. It is important to recognize that the maximum available personnel suitable for pilots in this country is approximately 19,000 per year.

6. It is my conviction that this question of air power must be faced boldly, fearlessly and comprehensively on the basis of having to use it in war in a big way on short notice. The question must be solved in accordance with a simple formula which Congress and the public can understand. Dollars must not control.

7. The following is believed to be a sound objective and one that can be substantially achieved, both as to personnel and equipment:

a. Round out and complete present authorized fighting strength so that it will be ready for continuous combat by July 1, 1941. This calls for 2,000 fighting planes distributed among the Air Corps units and 1,000 in reserve. The program approved by you on May 14, 1940, provides for the realization of this phase of our necessary preparedness.

b. Take the necessary steps to double the present authorized strength so that such a force will be ready for continuous combat by January 1, 1942, on the basis of 4,000 fighting planes among our Air Corps units and 2,000 in reserve. To achieve this objective, orders should be placed immediately for 3,000 fighting planes, complete with engines, armament, radio, organizational equipment, etc. To do this job, the work must be performed on a three-shift basis. Over and above the funds now on approved program, this would call for approximately \_\_\_\_\_ \$500,000,000.



This phase of the program also would call for personnel training, installations, training planes, etc., to the cost over and above amounts now on the program approved by the President on May 14, 1940, of ----- \$75,000,000.

Finally, this phase of the program calls for construction of additional air fields, depots, etc., to the cost of ----- \$125,000,000.

c. Take the necessary initial steps to quadruple our present force so that such a force will be ready for continuous combat by July 1, 1942, with 8,000 planes in air combat units and 4,000 in reserve. Toward the realization of this phase of the program, it would be necessary to provide for additional airplane capacity to increase output from the present estimated capacity of 9,000 combat planes to 19,000 combat planes per year. This would mean the construction of eight typical factories at the approximate cost of \$10,000,000 or ----- \$80,000,000.

This phase of the program calls also for combat plane engine capacity of some 20,000,000 horsepower in addition to the present capacity of approximately 40,000,000 horsepower per year at a total cost of ~~-----~~ \$40,000,000.

In this connection it may be desirable to create several factories, depending upon conditions.

A third requirement under this phase of the program would be additional training facilities for the training of some 19,000 pilots per year at an approximate cost of — \$200,000,000.

8. These additional production facilities would obviously have to be paid for by the government, either directly or indirectly, as post-war airplane business could not support them. It is believed that the aircraft industry, in view of the critical emergency, would be willing to construct and operate these plants under an agency contract, provided arrangements were included which would not leave these plants as a sword of Damocles over their heads at the end of the war. It is definitely to the interests of national defense to have our military planes produced by private companies.

9. In all these computations an attrition factor must be considered. Provision must be made for replacements both in fighting planes and in pilots. The Chief of the Air Corps feels that the



Factor of 30% per month should be used for objective a., 20% per month for objective b., and 15% per month for objective c., all based upon planes within the organization (not in reserve). The same attrition percentages are applicable to pilots as well as to planes.

10. Our potential in pilot training governs our plane program. Since the maximum is 19,000, we adhere to a 19,000 attrition plane program in the third phase.

11. In conclusion, it is believed that a program of the character outlined above should be included in your message to Congress in addition to items already approved by you.

*Louis Johnson*

Louis Johnson,  
The Assistant Secretary of War.

THE WHITE HOUSE  
WASHINGTON

May 29, 1940.

MEMORANDUM FOR

GENERAL WATSON

Will you give the attached  
to the President when he sees the  
people from the Munitions Board  
today?

G.

*PSF Louis Johnson*  
*War*

**WAR DEPARTMENT**  
**OFFICE OF THE ASSISTANT SECRETARY**  
**WASHINGTON, D. C.**

May 22, 1940.

MEMORANDUM FOR THE HONORABLE HENRY MORGENTHAU, JR.

Subject: Organizing for Emergency Production of Munitions.

1. In compliance with your verbal request, the following information on the above subject is submitted.

Since its organization eighteen years ago, the Army and Navy Munitions Board has given its entire attention to the problem of preparing for the prompt and effective production of munitions in an emergency. The plans which it has developed over these years are the product of no individual or group. They have been evolved gradually and carefully. They are based on World War experience, modified and improved upon by advice and counsel from a multitude of sources - within Army and Navy - from other Government Departments and from outside agencies and individuals. The sole desire actuating those who have worked on the plans has been to perfect our measures of national defense so that in time of need they might be practical and immediately effective. The fact that these plans have been reviewed and approved by so many qualified individuals justifies the conclusion that they are sound and will be effective in an emergency. The following is a general summary of the activities which have been involved in preparing these plans:

a. Determination of types and computation of requirements for a major war effort. This task has been completed for general situations but may need some slight revision to adapt the results to the specific situation now confronting us.

b. Completion of an industrial inventory of the country and earmarking suitable plants for the war-time production of specific items of munitions. In the past twenty years, some 20,000 plants have been inspected and over 9,000 are now earmarked for the production of problem items. Training of these plants for their war missions is proceeding as rapidly as available funds will permit.

c. Army and Navy plans for procurement in war have been coordinated, and combined where possible, in the interest of effectiveness and to avoid competition and conflict of interest. Requirements of the Maritime Commission have been included. The essential needs of the civil population have been allowed for in allocating plants for war production.

d. Detailed studies have been carried out regarding important economic factors upon which the success of the industrial war effort depends. Other interested Government Departments, technical societies, organized industrial and business groups, and qualified individuals have

contributed to the completion of the plans for meeting these problems.

Among the more important activities on which studies were initiated by the Army and Navy Munitions Board and for which plans have been prepared or are in process are the following:

- New Construction for munitions production
- Strategic and other materials
- Power and Fuel
- Transportation
- War Trade
- War Credits
- Machine Tools and Equipment
- Labor Supply and Industrial Deferments

It is the belief that these plans outline sound and practical methods of organizing for the effective prosecution of warfare on the industrial and economic front, whatever agency or agencies be decided upon to execute them.

It is believed, however, that the Army and Navy Munitions Board, with some strengthening of personnel can meet the present emergency effectively. It is already organized as a going concern and can expand its activities without delay. It enjoys the confidence of industry and can readily obtain full cooperation.

It is therefore recommended that the following steps be taken:

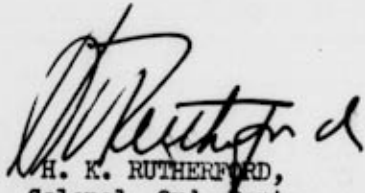
a. The functions of the Army and Navy Munitions Board be clarified and confirmed by a statement from the President and such additional funds and personnel as may be needed for its effective action be made available.

b. An "Advisory Committee for Munitions Production" be organized by the Army and Navy Munitions Board to assure maximum effectiveness in the utilization of all industries essential to carrying out the munitions program now being launched.

The attached diagram outlines the organization proposed above with some additional suggestions regarding the possible activities of the new committee.

*Diagram did not come to file*

Incl.

  
H. K. RUTHERFORD,  
Colonel, Ord. Dept.,  
Director, Planning Branch.



*file  
Confidential*

THE ASSISTANT SECRETARY OF WAR  
WASHINGTON

*P.S. F. Longiss  
Johnson  
War*  
JUN 13 3 15 PM '40  
RECEIVED  
THE WHITE HOUSE

June 13, 1940.

Dear Mr. President:

In response to a request from Mr. Knudsen, a program covering a proposed national policy on munitions productive capacity has been prepared and submitted to him.

I wanted you to have a copy of this immediately and am forwarding it herewith. You will note that Mr. Woodring, General Marshall and myself are in agreement in recommending this program.

Faithfully yours,

*Louis Johnson*

**CONFIDENTIAL**

June 13, 1940.

MEMORANDUM FOR MR. KNUDSEN.

1. I am inclosing herewith a memorandum on the subject: "National Policy on Munitions Productive Capacity", which I asked Colonel Burns to submit. It is in reference to questions asked by you in our conference of June 11, 1940.

2. In brief, he recommends that you obtain Presidential approval of a policy on Munitions Productive Capacity for the Army substantially as follows:

a. Ground Army.

(1) Create sufficient rate of production to meet the needs of an army of 1,000,000 men on combat status by October 1, 1941.

(2) Create sufficient rate of production to meet similar needs of an army of double this size, or 2,000,000 men, by January 1, 1942.

(3) Create sufficient rate of production to double again the size of the army, or 4,000,000 men, by April 1, 1942.

b. Air Army.

(1) Create rate of production sufficient to meet, by October 1, 1941, the needs of an air army on a combat status corresponding to a ground army of 1,000,000 men. This would require productive capacity available to the Army of approximately 9,000 military airplanes per year.

(2) Create rate of production sufficient to meet needs of an air army of double the above size by January 1, 1942. This would require annual productive capacity available to the Army of 18,000 military airplanes.

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DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 1-20-59

Signature- *Carl L. Spicer*

**CONFIDENTIAL**

(3) Create rate of production sufficient to double again the size of the air army by April 1, 1942. This would require corresponding capacity of 36,000 military airplanes per year.

Note:- Of the 50,000 military airplanes per year productive capacity desired by the President, approximately 13,500 have been tentatively allocated to the Navy and 36,500 to the Army.

He also recommends that the President grant authority to ask Congress to increase to \$500,000,000 the \$200,000,000 for the creation of additional productive capacity just passed by the House of Representatives.

3. While the time schedule outlined above seems to be slow, it must be remembered that it is considerably faster than results obtained by England, France and Germany. It is also considerably faster than our own World War effort. It is obviously not in the interests of the safety of the country to underestimate the time required, although every effort must be made to reduce it.

4. I concur in the above recommendations, as do also the Secretary of War and the Chief of Staff.

(Signed) LOUIS JOHNSON

Louis Johnson,  
The Assistant Secretary of War.

I concur in the above quantity objectives, but I consider it of imperative importance that means be found to advance the date for the needs of the first million, herein scheduled for October 1, 1941.

(Signed) G. C. Marshall  
Chief of Staff.

June 13, 1940.

**CONFIDENTIAL**

June 13, 1940, Franklin D. Roosevelt Library  
DECLASSIFIED  
DOD DIR. 5200.9 (9/27/88)

MEMORANDUM FOR THE ASSISTANT SECRETARY OF WAR.

Date- 2-20-59

Subject: National Policy on Munitions Productive Capacity.

Signature-

*Carl S. Spies*

1. At his conference with you on June 11, 1940, Mr. Knudsen of the President's National Defense Advisory Commission went to the heart of the problem of national defense when he asked the question:

"How much munitions productive capacity does this country need and how rapidly must it become available?"

This is so, because the limiting factor in the task of increasing the Army's fighting strength is the rate at which planes, guns, ammunition, tanks, armor, etc., can be produced.

2. Mr. Knudsen, in order to carry out the responsibility which the President has placed upon him, is entitled to a comprehensive, authoritative and definite answer to his question. You, by law, have responsibility for "the assurance of adequate provision for the mobilization of material and industrial organizations essential to war-time needs." So you, in turn, have a vital interest in the answer to Mr. Knudsen's question. The Commander-in-Chief, with the support of Congress, must give the answer.

3. With reference to Air Forces, the President has stated that his objective is a productive capacity of 50,000 military airplanes per year, presumably to meet needs of the Army and the Navy. This gives a very comprehensive answer to the first part of Mr. Knudsen's question. The speed of creation of the capacity is not definitely stated, although it is fair to assume that the President desires this capacity as quickly as practicable. Estimates before Congress, as submitted by both the Army and the Navy, provide for at least a large part of this capacity.



**CONFIDENTIAL**

4. With reference to the Ground Army, a similar long range objective has not been established. Estimates before Congress provide productive capacity for the needs of 1,000,000 men. They also start the creation of additional productive capacity of those items with the longer time factors for a larger force. Definite quantity and time objectives are missing.

5. The following program for the creation of productive capacity is suggested:

**a. Ground Army.**

(1) Create sufficient rate of production to meet the needs of an army of 1,000,000 men on combat status by October 1, 1941.

(2) Create sufficient rate of production to meet similar needs of an army of double this size, or 2,000,000 men, by January 1, 1942.

(3) Create sufficient rate of production to double again the size of the army, or 4,000,000 men, by April 1, 1942.

**b. Air Army.**

Note- Of the 50,000 military airplanes per year productive capacity desired by the President, approximately 13,500 have been tentatively allocated to the Navy and 36,500 to the Army.

(1) Create rate of production sufficient to meet, by October 1, 1941, the needs of an air army in a combat status corresponding to a ground army of 1,000,000 men. This would require productive capacity available to the Army of approximately 9,000 military airplanes per year.

(2) Create rate of production sufficient to meet needs of an air army of double the above size by January 1, 1942. This would require annual productive capacity available to the Army of 18,000 military airplanes.

(3) Create rate of production sufficient to double again the size of the air army by April 1, 1942. This would require corresponding capacity of 36,000 military airplanes per year.

~~CONFIDENTIAL~~

6. The rates of production required for individual items could be calculated from the above general objective and the specific requirements as determined by the General Staff. The detailed program of procurements against this productive capacity would also depend upon General Staff decisions.

7. The ability of Mr. Knudsen's organization and the War Department to carry out the above programs would depend in large part upon appropriations and law.

8. It is believed that effort should be made immediately to increase to \$500,000,000 the \$200,000,000 which the House of Representatives has just passed for the creation of additional productive capacity.

9. It is further believed that Presidential approval should be obtained of an objective similar to one outlined above, including permission to contact Congress for necessary appropriations.

(Signed) J. H. BURNS.

J. H. BURNS,  
Colonel, Ordnance Department,  
Executive.

War file  
P.F.  
Stimson

July 24, 1940

// My dear Mr. President:

" I offered my resignation as the Assistant Secretary of War immediately upon your advising me of your intention to appoint another as Secretary of War. I then understood you desired that I remain. I have therefore so continued. I am now informed that Mr. Stimson had already made different plans.

" For three long years, I have given my energy and effort exclusively to the problems of adequate national preparedness. Today I presented our program to Congress and, while there is much yet to be done, on the whole, that for which we have striven seems on the way. It is with keen regret, therefore, that I tender my resignation again. I have no alternative.

Insert →

Always, I shall be gratefully indebted: to the officers of the Army who tolerated me and my efforts for a year, and then so loyally supported me; to the business men of America who have cooperated and made possible the progress on the industrial and supply front; and to the understanding friends, particularly my comrades of the World War, who have helped in our efforts to get the American people to agree that the road of adequate preparedness is the only safe road to peace for America.

Returning to my law firm, I shall still carry on for National Defense as best I may.

I am leaving Washington immediately  
for a very necessary, even if not earned, rest -  
my first holiday in these thirty-seven months.

This, my resignation, may be made  
effective on any date you determine.

With great respect, Sir, I am

Obediently yours,

*Louis Johnson*

The President  
The White House

TELEGRAM

The White House  
Washington

July 25, 1940

Honorable Louis Johnson  
Mandalay Camp  
Bohemian Grove  
Monte Rio, California.

" Dear Louis:

In acknowledging your letter of resignation of July twenty-fourth, I must emphasize that although you have severed the formal ties that make you a member of my official family, there are closer bonds of friendship and affection which will but grow stronger as time passes.

I do want you to know how deeply grateful I am for the splendid services you have rendered to the cause of national defense and to government. Your countrymen everywhere will share in this gratitude for all that you have accomplished to safeguard your country and to make secure our democratic way of life.

Regretfully, therefore, I accept your resignation as the Assistant Secretary of War, as of this date, because the Secretary of War has asked me to send to the Senate the nomination of Mr. Robert Porter Patterson as your successor.

In order that the nation may continue to have the benefit of your outstanding ability and varied experience, I confidently expect and hope that you will soon return to the government service. I would like you to serve as an Administrative Assistant to the President. In this position you will be with me in the White House, becoming my eyes and ears and serving by reporting to me on the continuing progress of the entire national defense program, with every phase of which you have become so familiar.

FRANKLIN D. ROOSEVELT //

TELEGRAM

The White House  
Washington

July 25, 1940

Honorable Louis Johnson  
Mandalay Camp  
Bohemian Grove,  
Monte Rio, California.

Dear Louis:

In acknowledging your letter of resignation of July twentyfourth, I must emphasize that although you have severed the formal ties that make you a member of my official family, there are closer bonds of friendship and affection which will but grow stronger as time passes.

I do want you to know how deeply grateful I am for the splendid services you have rendered to the cause of national defense and to government. Your countrymen everywhere will share in this gratitude for all that you have accomplished to safeguard your country and to make secure our democratic way of life.

Regretfully, therefore, I accept your resignation as the Assistant Secretary of War, as of this date, because the Secretary of War has asked me to send to the Senate the nomination of Mr. Robert Porter Patterson as your successor.

In order that the nation may continue to have the benefit of your outstanding ability and varied experience, I confidently expect and hope that you will soon return to the government service. I would like you to serve as an Administrative Assistant to the President. In this position you will be with me in the White House, becoming my eyes and ears and serving ~~as progress reporter~~ on the entire national defense ~~question~~ with every phase of which you have become so familiar. *prop. me*

*by reporting to me* FRANKLIN D. ROOSEVELT  
*on the continuing progress of*

TELETYPE

July 25-40

2

INSERT AFTER PARAGRAPH ~~THIRD~~

" as  
 To you, my Commander-in-Chief and longtime friend, I desire -- although I know it is unnecessary -- to give assurance of my heartfelt appreciation of the opportunity to serve ~~the national interest~~ which has been mine as a result of the confidence which you reposed in me. The task ~~which~~ we faced was monumental -- the obstacles to be overcome were many and great. But the work was rendered less arduous by the consciousness that in all essential principles, you and I saw eye to eye. ~~This realization lightened a burden which otherwise would have been heavy indeed, and made the work a cheerful task.~~

*of the*  
 international defense  
 program.

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Approved by Johnson and  
 inserted at his request as the  
 third paragraph of his letter of  
 resignation.

*JK*

PSF  
War

July 11, 1940

**MEMORANDUM for The President:**

There is forwarded herewith for your information, copy of the First Report for the Fiscal Year 1941 showing the progress of the Current Procurement Program.