

NAVY DEPARTMENT

Nav 1641 SG BUREAU OF NAVIGATION

WASHINGTON, D. C.

August 7, 1941

SECRET

Memorandum for Admiral Nimitz.

Subject: Releases of naval personnel to accept  
employment in China with the Central  
Aircraft Manufacturing Company.

The following is a general statement of my  
knowledge of the subject of this memorandum:

1. About three months ago Captain Shafroth, then  
Director of Naval Reserve, told me for advance information  
that there was a possibility of our being required to  
release from active duty a considerable number of officers  
and enlisted personnel for the purpose of accepting employ-  
ment in China with the Central Aircraft Manufacturing  
Company. He indicated that the Department would be  
reluctant to lose the services of this much-needed personnel,  
but might be directed to do so by higher authority.

2. About two months ago I was called in to a  
conference to discuss this subject, at which the following  
officers were present, so far as I can recall: Captain  
Bidwell, Captain Shafroth, Captain Briggs, Captain Good and  
myself; also Mr. Bruce Leighton and Captain Aldworth, U.S.A.  
Air Corps, Ret., the latter two being representatives of  
C.A.M.CO. It was indicated that the plan to release  
personnel for the purpose indicated had been approved by  
the Secretary of the Navy. My distinct impression was that  
the Secretary in turn had received his instructions from the  
President. A general discussion ensued as to the circum-  
stances under which individuals released might resume their  
naval status upon completion of such employment. It was  
determined that all naval personnel, Regular and Naval  
Reserve, who were accepted for such employment must first  
be discharged from the Navy or Naval Reserve so that they  
would have no connection whatever with the armed forces of  
the United States.

3. It was agreed that reserve officers who  
resigned might later apply for reappointment in the same  
rank as at time of separation. At the direction of the  
Department, they might even be reappointed in a higher rank,

(B.)