of oil within three miles of the dinghy which contained six survivors from the Canso. Thirty-five to forty members of the U-Boat's crew were sighted in the water. Five members of the Canso crew were later rescued.

## 3. CANADA AND ADJACENT TERRITORIES

## (a) Navy -

There were several reported sightings by fishermen off the Newfoundland Coast, but none were confirmed and it was concluded that no enemy U-Boats had penetrated St. Lawrence waters.

No attacks took place on 79 Canadian Coastal Convoys that sailed during the month but one U-Boat remained unlocated south of Nova Scotia until the 13th, when it fired and gained five hits on the fishing vessel 'Lark' in a position forty miles south of Cape Sable. All anti-submarine sweeps were without result and as the month closed, the U-Boat was thought to be homebound in the vicinity of Virgin Rocks. Anti-submarine operations were also being conducted against another enemy recently suspected to have entered the area south of Virgin Rocks.

## (b) <u>Army</u> -

Certain reserve army units (other than antiaircraft artillery) in Coastal Commands have been authorized to train in light anti-aircraft, with a view to taking over for operational purposes from the active army, certain selected sites.

(c) Air Force - nil

## PART II - ORGANIZATION

- (a) Navy nil
- (b) <u>Army</u> -

A Canadian Headquarters and ancillary units have been established in England to operate a line of Communication Terminal, and to facilitate the use of small captured ports on the 'invasion' coast.

Six bands have been formed in the United Kingdom to serve Canadian Troops overseas.

A new system for the handling and distribution of cigarettes has been established overseas with the formation of Tobacco Depots in Italy and the United Kingdom. These new units hold a stock of cigarettes,-

- (a) for purchase by troops who do not receive cigarettes from Canada; and
- (b) for immediate despatch to troops for whom friends in Canada have ordered cigarettes, the notification of the purchase being sent overseas by airmail.

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