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Policy and Strategy
GERMAN SUBMARINE WARFARE.

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Author

Admiral Castex, French Navy

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French Naval Policy.

RECEIVED
4 OCT 1930

I forward herewith a copy of the Revue de Paris for 15 September, 1930, in which will be found an article entitled "La Guerre Sous-Marine Allemande" by Admiral Castex.

The author is probably the best French writer on naval strategy and tactics, and is one of the most successful and well thought of French Officers. He was President of the War College, later Assistant Chief of the Naval General Staff and now commands the Training Division of the First Squadron.

Admiral Castex treats the German submarine campaign from a political angle.

The two great blunders of the Germans, violating the neutrality of Belgium and the decision to use submarines without any restrictions, were direct results of the subordination of civil to military leaders.

It is with the submarine blunder that the article deals. The short history of the orders and counter orders that finally culminated in no restrictions whatever in the use of submarines and the declaration of war by the United States, brings out the point of view of the author, and probably of the French Navy, on the subject of submarine warfare. This point of view must interest us as it is the opinion of a navy that will eventually possess 135 submarines. I quote the opinion in full:

"In this regard it is to be noted that Germany informed the United States in the exchange of notes, that American citizens could avoid all risk of death by the simple expedient of not taking passage on allied merchant ships. Such advice was given to the American public through the medium of the press. This point of view was perfectly tenable (soutenable). The proof of this fact lies in the difference of opinion it provoked in America even a difference that resulted in the resignation of Mr. Bryan as Secretary of State and the appointment of Mr. Lansing. The United States continued to claim for its citizens the exaggerated right to travel in the war zone, without risk, on the merchant ships of nations at war with Germany. This claim was, in my opinion, singularly exaggerated and contrary to all logic. I will treat the question more fully some day. However, Germany had to accept the American view as we saw, a fact that proves the importance of the political factor in affairs of this sort." (page 280).

In the Mediterranean things were not quite the same. "Besides Italy being a belligerent there was less chances of meeting neutral ships in the Mediterranean and as Admiral Michelsen

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sarcastically remarked 'of inadvertently sinking American speculators on munition makers' ". (page 352).

The American intervention came at a very opportune moment. The financial situation of the Allies was tragic at the end of 1916. The number of days the allies could hold out could be counted.

The author then calls attention to the attempts made to excuse their mistakes by various German authorities.

Strategy will rarely have cause to repent if it leans on well founded political ideas is the conclusion.

GNS
JS(31)CHF

16 October, 1930.

From: President, Naval War College
To: Director of Naval Intelligence

Subject: Request for publication.

Reference: (a) Naval Attache's report Y-311, of
25 September, 1930 (File No.902-100).

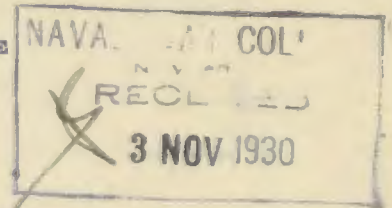
1. It is requested that there be forwarded to the Naval War College a copy of the "Revue de Paris," for 15 September, 1930. In case a copy of this publication is not available the War College would appreciate receiving a translation of the article mentioned in reference (a) "La Guerre Sous-Marine Allemande," by Admiral Castex.

John Stapler
By direction.

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.

Op-16-C3
A10-3/EF28/NC3(10-16)



OCT 30 1930

From: Director of Naval Intelligence.
To : President, Naval War College.

SUBJECT: Publication, Forwarding of.

Reference: (a) Your let. GNS JS(31)CHF of 16 October, 1930.

Enclosure: (A) An article "La Guerre Sous-Marine Allemande"
(herewith) by Admiral Castex, published in "Revue de Paris".

1. Enclosed herewith is a copy of the article "La Guerre Sous-Marine Allemande" by Admiral Castex published in "Revue de Paris" for 15 September, 1930.

2. It is requested that this copy be returned to O.N.I. when you have finished with it as it is the only copy available.

H. A. Baldrige
H. A. BALDRIDGE.

14 November, 1930

From: President, Naval War College
To: Director of Naval Intelligence

Subject: Returning publication.

Reference: (a) Director of Naval Intelligence letter
Op-16-C3, A10-3/EF28/NC3(10-16), of
30 October, 1930.

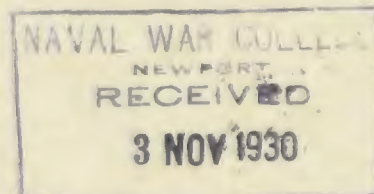
Enclosures: (1)

1. There is returned herewith the copy of
the article "La Guerre Sous-Marine Allemande," by
Admiral Castex.

John Stapler
By direction.

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Source: Revue de Paris, September, 1930.



POLICY AND STRATEGY

GERMAN SUBMARINE WARFARE.

Everyone knows the effect produced by policy, at certain times, on strategy. To recall this is stating a veritable commonplace.

On the other hand, the fact that strategy often pays policy back, with usury, for the pressure it has sustained from policy, is generally ignored.

Strategy when well conducted and crowned with military success, facilitates the rôle of policy. This is by virtue of the prestige of force which ^{maneuvering} diplomatic/at present is endeavoring to do away with. Inversely the unfortunate bearing of operations may terribly complicate the task of policy and cause it to face insoluble problems. And this indirect influence of strategy is always considerable.

This is doubled by direct influence. Under numerous circumstances strategy will demand from policy certain precise actions and a well determined line of conduct intended to serve its own ends. This is a natural claim and perfectly admissible. Strategy has its own desiderata which may not be neglected because they effect the very destiny of the war when in progress or in the future.

At other times strategy by its own acts, executed proprio motu, will bridle policy and confront it with the accomplished fact, with all its consequences. Strategy will go to extremes, which course is not so rare as might be believed. At times strategy is guilty of following its own inclinations without regard to considerations outside of its personal domain. Such a course will entail serious mistakes against which policy is powerless and for which strategy must finally pay the price.

And there are still worse consequences. If policy meddles frequently and too directly in military affairs, that is to say with things which do not concern it, strategy, doubtless in a spirit of retaliation, often resorts to the same proceeding. It invades the sector of policy which it has visions of controlling and in fact does control on more than one occasion with variable consequences, bringing about at times startling accidents.

This phenomenon of the exaggeration of the influence of strategy in affairs of State is more likely to manifest itself when custom, institutions or circumstances have given to the military an excessive weight in the council of State. At such times they advance too exclusively their own views forcing back those of others.

Such was the case in Germany during the war of 1914-1918. We know for example to what extent Ludendorff invaded the political field under pretext of military necessity and with pretense of giving unity to the conduct of the war.

¹ His success in this was only partial, and resulted only in causing

¹ See on this subject the article of Mr. Winston Churchill in this same number.

serious and untimely disturbance in the conduct of affairs beyond the Rhine. But he was not alone in this manner of procedure. Others before him had reasoned and acted in a like manner, or approximately so. As a matter of fact Ludendorf is, after all, but the hypertrophic product of a specifically German mentality and environment, which believes, especially in time of war, that the military should be in sovereign command and absorb the other machinery of State.

Political leaders, Chancellor Bethmann-Hollweg at their head, have wholly edified us on this point, abundantly narrating their woes.

Summing up, there was formed in Germany, during the war of 1914, a singular atmosphere where the normal relationship of policy and strategy became totally vitiated and deformed. The influence of the latter became exorbitant,

without reasonable counterpoise. Under such impetus, the most disastrous mistakes, direct fruit of the preponderance of a solely military point of view, were necessarily made.

History will commemorate in particular two such mistakes which can be cited throughout the centuries as glaring examples in this respect. These are the violation of Belgian neutrality and the pursuit of unrestricted submarine warfare.

A study of the first question would lead us somewhat far. It moreover lies without the province of the navy. We shall limit ourselves, therefore, to a brief survey of submarine warfare.

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German submarine warfare is but a long series of events wherein policy influenced strategy, interspersed with reactions, regrettable moreover, from strategy upon policy. So long as the voice of policy succeeded in making itself heard, the incidents resulting from this new method of attack upon maritime communication had no real gravity. When however strategy freed itself from this constraint and decided to give free rein to impulse, a catastrophe took place.

¹ The aspects of submarine warfare are multiple. Here we treat it merely from the point of view of policy.

Moreover, in examining this warfare another interesting point is observed. We have here a question of naval strategy and yet those who guide its destinies are not only seamen but land strategists. Upon all serious occasions the advice of the latter is sought and their authority, being preponderant, exceeds that of the seamen. In this purely maritime matter no important decision was made without a respectful consideration of the opinion of Army General Headquarters which generally tipped the balance towards its own side.

We know how the idea of submarine warfare was conceived in the brains of German naval officers. Extolled by Commander Bauer, and warmly supported by Admiral von Ingenohl commanding the High Seas Fleet, it was favorably received in high places by Admiral von Pohl, Chief of the General Staff and by Admiral Tirpitz. On 27 December 1914, the Emperor requested von Pohl, through his Naval Cabinet Chief, Admiral Müller, to submit a report on the subject. On 8 January 1915 the Emperor assembled for debate on this matter/^{the} Chancellor, Pohl, Müller, and the Chief of the Military Cabinet. No immediate plan of execution was decided upon. Order was merely given to prepare the submarines for a war on commerce, at the same time deferring action until further notice.

What did policy have to say on this occasion? Chancellor Bethmann-Hollweg was not so favorably inclined toward this new method of warfare, which, according to him, would fatally lead to difficulties with neutrals who would certainly suffer thereby, as no promise had been made to spare them. He was, however, impressed by the confidence of the seamen. Undecided, he turned towards Army General Headquarters. There he found Falkenhayn who, though prudent enough to be opposed to the idea of antagonizing the United States, nevertheless considered it possible to drive England to extremities before a complication should develop in this quarter. Reassured, the Chancellor allowed himself to be convinced on 23 January by Admiral von Pohl. On 2 February decision on this definite policy was made by him. As to the execution thereof, permission was extorted from the Emperor, as we know, on 4 February at Wilhelmshafen, by Pohl who had just taken command of the High Seas Fleet, and this in spite of the opposition of Admiral Müller.

The result was the well known German declaration of 4 February 1915, which, as will be noted in no wise inaugurated the extended and intensive submarine warfare practiced later on, but was a simple blockade of the coast of the British Isles, carried on by means of submarines. The vessels of

enemy commerce were essentially aimed at, but the danger might eventually reach neutral vessels. This blockade entered into force on 18 February.

Policy had no sooner accorded this concession, with but slight resistance to strategy, than multiple difficulties were raised by neutrals on account of this blockade. On 20 February there was held at Copenhagen a conference of Scandinavians who did not succeed in reaching an agreement. Holland protested to the German government. Finally, after 10 February the United States took the same stand and clearly signified the possibility of a rupture in case American vessels or citizens became victims of the submarine blockade.

On 16 February Germany sent the United States an explanatory note, but shortly afterwards, on 19 February, in the face of these first difficulties, submarines received the order to spare American and Italian vessels of commerce.

Under the influence of considerations raised by policy, strategy therefore had to accept a first rebuff when operations had scarcely begun. In April 1915, following the high feeling provoked in Holland on account of the destruction of the steamer KATWIJK, a second concession was made necessary. On 18 April it was decided that submarines should no longer sink neutral merchant vessels of any sort.

The Chancellor, frightened by the first political consequences of submarine warfare, and pretending afterwards not to have clearly understood, at the time of his interview with Pohl, the character of this warfare, succeeded in recalling his original concessions and in compelling strategy to make important sacrifices, made possible moreover by the ambiguous wording of the declaration of 4 February. Army General Headquarters, little desirous of provoking conflicts with neutrals, easily recognized the value of the reasons invoked by the Chancellor, and policy won its cause, appreciably checking

submarine warfare.

¹ At the cost of 146 orders and counterorders given to submarines. (See: Admiral Michelsen, L guerre soumarine).

Policy, moreover, is about to still further show a preponderance over strategy.

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Other incidents were not slow in developing. In April 1915 the American tanker GULFLIGHT was sunk by a submarine. Then on 7 May there took place the torpedoing, without warning of the steamship LUSITANIA, wherein 198 persons found death, among whom were 118 Americans. The repercussion of this event was enormous. In the United States a formidable movement of indignation was created and public opinion ran very high against Germany.

Policy then became very uneasy as to the consequences of the affair and much embarrassed concerning means to be adopted in extenuation of the same. Excuses were expressed and regrets, both to Washington directly and to Mr. Gerard the United States Ambassador in Berlin. But these soft words did not calm the irritation aroused. On 13 May the American government addressed Germany a note which terminated in a scarcely disguised menace to take hostile measures upon the recurrence of such an event. On 1 June the German government renewed its regrets and claimed that the LUSITANIA was transporting troops and munitions. On 9 June the American government showed the falsity of these allegations and added that above all else was to be placed a respect for the principles of humanity. On 8 July came a second German response. Finally on 21 July there was a last American note refusing to yield on the question of humanity with respect to passenger ships, whether American, neutral or even enemy vessels were concerned.

Policy, once more placed by strategy in a bad position, understood that the latter must still further be checked. Without awaiting the end of the

controversy with the United States, the order was given to submarines on 5 June (order No. 24) to abstain from now on from attacking passenger ships, even those of the enemy. This order constituting a new retreat and an important one, imposed on strategy, was kept secret in order not to violate German public opinion. The strategists Bachmann (replacing Pohl) and Tirpitz did not find this to their taste, and they offered their resignation, which was refused by the Emperor.

It is to be noted in this connection that the Germans had stated to the United States in the course of this exchange of notes, that American citizens had a very simple means of avoiding the risk of their lives, which was not to take passage on vessels of commerce belonging to the Allies. Warning was given to the American public through the medium of the press. This point of view was perfectly tenable, and that which proves it was the diversity of opinion it provoked, even in America, and which expressed itself in the resignation of Mr. Bryan, Secretary of State, and the appointment of Mr. Lansing. The United States continued to claim for their citizens the excessive right to circulate without risk in the war zone and on vessels of commerce belonging to nations at war with Germany. This pretention, in my opinion, was strangely exaggerated and contrary to all logic. I will discuss the matter more at length one of these days. However, Germany was obliged to yield as we have seen, which clearly proves the importance of the policy factor in such affairs.

Let us remark in passing that the decision of 5 June was taken only after a general conference held on 31 May at Pless, and in the course of which General Falkenhayn supported the point of view of the Chancellor. Here again the influence of Army General Headquarters is evident.

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Moreover, this concession of 5 June, however considerable it might be,

was not sufficient to shield Germany from new complications. This manifested itself in the torpedoing of the American steamer NEBRASKA (25 May), that of the English mail and passenger steamer ORDUNA (9 July) and finally that of the steamship ARABIC (19 August). in which four Americans lost their lives. The affair of the ARABIC, in particular, provoked a further intense agitation in the United States. Public opinion was unanimous and was violently expressed through the channels of the press. The American government demanded immediate explanations.

It was almost a repetition of the LUSITANIA incident. Policy, again alarmed, realized the urgency of giving satisfaction to the United States. A council of war again met at Pless on 26 August. Chancellor Bethmann-Hollweg expressed his lively fears respecting the consequences of submarine warfare and stated that they could not continue "to walk over a volcano". He recommended a change of method. He was supported in this by Falkenhayn who was of the opinion that the hostility of the United States would prevent Bulgaria from joining the Central Powers and would thus compromise the decisive campaign contemplated in the Balkans in the autumn. Admiral Tirpitz and Bachmann naturally refused to yield on the little which remained of the submarine warfare. The Emperor shared their opinion. They left Pless proud of their success. But they had scarcely reached Berlin when they learned that the Emperor, under final pressure from the Chancellor exerted after their departure, had made the concessions demanded by policy. These concessions took the form of submarine orders Nos. 27 and 29, dated 30 August, which forbade the sinking of any passenger ships, even though small. The United States were advised on 27 August of the satisfaction given them, and a relative calm was then restored, provisional at least.

Naval officers found the pill bitter. Everyone began to resign. The resignation of Tirpitz was refused, mainly at the instance of high authori-

ties, but he found that his opinions were disregarded on important political questions. Pohl, who also wished to retire, was tartly requested to abstain from manifestations of this order. Only Bachmann's resignation was accepted, and he was replaced on 3 September by Admiral von Holtzendorff, who had been in the reserve since 1912.

The satisfaction given the United States reduced the effectiveness of submarine warfare to a mere nothing. Tirpitz and Pohl expressed the opinion that under these conditions it would be better to renounce it altogether. This point of view was adopted. On 18 September 1915 the submarines received order No. 31 which enjoined them to suspend submarine warfare on the west coast of England and in the Channel, and to conduct it in the North Sea only by observing the international rules on prizes.

Submarine warfare, as understood by original German methods, was confined to the Mediterranean. The activities of the Allies partly led to this. Moreover, Italy now being enemy there was less chance of encountering neutral vessels in the Mediterranean, and as expressed with rancour by Admiral Michelsen, "less chance of inadvertently drowning capitalists or the furnishers of American war material". A premature hope, however, because before long, in this locality the ANCONA was torpedoed (7 November) and then the PERSIA (30 December), which brought about a lively exchange of notes between the United States and Austria. Public opinion again became acute in America. Once more it was necessary to yield, and it was decided that in the Mediterranean, as in the north, submarines should no longer attack passenger ships, and that they should conduct themselves in conformity with the international rules regarding prizes.

Thus the year 1915 showed the balance/against strategy in this domain of submarine warfare, by successive yieldings under pressure from policy. The

The first concession was made at the beginning because of the protestations from neutrals; the second was caused by the destruction of the KATWIJK; the third was occasioned by the LUSITANIA affair; the fourth, which amounted practically to a total renouncement, was brought about by the ARABIC affair. Thanks to the prudent and firm stand taken by policy, supported it is true by the Army General Staff, grave perils were avoided.

But strategy was about to take her revenge, a revenge just beginning in 1916 and ending in 1917.

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It was finally in 1915 that an important event took place, namely the reversal of opinion of the ^{Army} General Staff regarding submarine warfare. Bulgaria having made her declaration and the Balkan campaign having been settled, Falkenhayn believed that the time was ripe not only to launch a very heavy attack against France, which was to take place at Verdun, but also to attempt to finish with England by means of an unrestricted submarine warfare. He calculated that the intervention of the United States, ~~was~~ very probable under the circumstances, would no longer be ^{so} /disadvantageous as had at first been feared and that it would take place too late to produce an unfavorable effect. Falkenhayn submitted a report to this effect, to the Emperor, on Christmas, 1915.

With a submarine warfare thus conducted, could they flatter themselves that a decision would be reached? On 7 January 1916, Admiral von Holtzendorff prepared a memorandum in which he explained that it would be possible to destroy by submarines and by mines a total of 630,000 tons per month. This loss, according to him, would oblige England to make peace within six months.

Other authorities, Tirpitz, Stinnes, Ballin, etc., supported these arguments. Public opinion heard and approved. The press voiced its hopes and agreement.

The Emperor was shaken by this movement and by his convictions. On 29 January 1916 he decided on a practical renewal of submarine warfare, but it was to be in a milder form because policy was still watching to prevent extreme measures from being taken. On 24 February the order was given to submarines to renew in the north their war on commerce, warning being given, however, in the case of troop transports and armed commercial vessels. Mail -/ passenger steamers, even armed, should always be spared.

The question of unrestricted submarine warfare remained unqualified. Chancellor Bethmann-Hollweg opposed as best he could the pressure exerted from all sides upon the sovereign, whose illusions he did not share. On 29 February he addressed a long memoire to the Emperor in which he expressed his doubts and fears. The calculations of the seamen appeared to him to be

¹ Views on the subject of the world war. Appendix 2.

too optimistic and he was in no wise certain that British tonnage could be diminished by 4 million tons in six months. Admiral Holtzendorff had not taken into account the defensive reaction of the Allies, the increase of their new construction, and the seizure in neutral ports (particularly American) of German merchant shipping found there. And even when the total destruction calculated upon had been completed it was not certain that this result would compel England to make peace. Therefore, on this side there was complete uncertainty. On the other hand - in such an event this could not be questioned - America would declare war against Germany, which in the Chancellor's opinion would constitute a very grave danger, especially on account of the moral effect such an event would produce on both sides.

"Would we be able, said Bethmann-Hollweg, to continue the war and finally gain the victory under conditions so disadvantageous? After mature reflection the answer to this question must be in the negative...A submarine warfare

entailing the consequence of a rupture with the States still neutral would lead us in all probability not to victory but to defeat."

This was a solemn and prudent warning from policy. The principal committee of the Reichstag, in two secret sessions, seemed to recognize its justness despite the contrary sentiment of the assembly itself. Moved by these events, the Emperor assembled on 4 March, at Charleville, a great council of war with a view to pronouncing on this eternal question of unrestricted submarine warfare. The only result was ~~an~~ a postponement of this warfare until 1 April. Tirpitz who was not invited to the conference of 4 March was furious. The Emperor requested him on 8 March to present his resignation, which was accepted on 17 March and which created an enormous stir throughout all Germany. Thus policy remained successful and had apparently won a complete victory.

But her success was not as far-reaching as might have been hoped for, because scarcely had submarine warfare been renewed in the milder form recommended, before a new and grave event took place, namely the torpedoing of the French passenger steamer SUSSEX (24 March). Misfortune would have it that a number of Americans and Spaniards were killed and, contrary to the affirmation of the German government that the accident was caused by a mine, there was found on the SUSSEX the débris of a German torpedo. This torpedoing of a passenger ship, executed contrary to former promises and ^{the} instructions of 24 February, aroused in the United States a fury comparable to that which followed the affair of the LUSITANIA. Notes were again exchanged between the chancelleries. On 20 April, after deliberation and approval of Congress, the United States summoned Germany to renounce immediately her submarine warfare under pain of an immediate rupture of diplomatic relations.

The menace was grave. A new council of war was held, this time at Mayence. Falkenhayn and the seamen urged the Emperor not to yield. But the Chancellor

insisted on the fact that, according to his information, the Americans were ready to act. It was therefore decided to bow to the inevitable. On 26 April order No. 46 enjoined submarines not to torpedo until after warning. As the greater number of the ^{enemy} vessels were armed, this withdrawal from the modus vivendi of 24 February, already moderate, was equivalent to a cessation of submarine warfare. On 4 May a note was sent to the United States accepting their injunction. Falkenhayn's tender of resignation (7 May) in no wise changed this line of conduct.

Moreover, the decision made by Admiral Scheer, commanding the High Seas Fleet, upon this order, to devote the submarines of this naval force to military operations which were to take place at this time in the North Sea (Battle of Jutland, sortie of 19 August) would have the effect of reducing submarine warfare in this region to practically nothing.

For the second time since the beginning in 1916 policy imposed its views.

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The unrestricted submarine warfare campaign was however again taken up in the course of the summer of 1916. First of all, Admiral Scheer, after making his escape, at Jutland, (under conditions known to the world) from the clutches of the English fleet, in spite of his cries of victory, felt little enthusiasm to renew the adventure. In his report to the Emperor, prepared after the battle, he recommended a rigorous submarine warfare as the only means of conquering the enemy. German public opinion was again unleashed in this direction. This time all parties/~~and~~ pan-Germans to the moderate elements. The German Maritime League, through the speech of Admiral von Koester, added fuel to the flames. After June, the voice of the press ~~is~~ ^{-ed} raised and the journals ardently preach/the same doctrine.

In addition to this, a new event of considerable importance, took place,

namely the arrival at the head of the Army General Staff, on 29 August 1916, of the Hindenburg-Ludendorff dumvirat, which attained a decisive influence over affairs and which not content with the consultative rôle of Falkenhayn, before long assumed the mastery of affairs. Strategy was now getting the upper hand.

A preliminary conference with the Chancellor took place on 30 August and was followed by a grand council of war on 3 September at Pless. The Chancellor enumerated the risks entailed upon a pursuit of submarine warfare with respect to neutrals, and this at a time when the entrance into the war of Roumania seriously augmented the difficulties of Germany in her land operations. Hindenburg and Ludendorff, though partisans of a vigorous submarine action, advised temporizing. Submarine warfare, unrestricted, was admitted as a principle, but with a postponement of its execution until a more favorable period. The Chancellor left to Hindenburg the choice of the opportune moment. Strange to say the Reichstag did the same. By resolution of 7 October it approved unrestricted submarine warfare, the understanding being that activities would begin as soon as Hindenburg and Ludendorff should demand it. As stated by Bethmann-Hollweg, "in the question of submarine warfare, Parliament also had yielded political power to military authority". In a word, policy abdicated and capitulated, once and for all time, as soon as it encountered the new and actual "war lords", the land generals, the only ones that really counted, ~~that is~~ Hindenburg and Ludendorff - as well as merely Ludendorff - were now the arbiters of the situation. Superior personality took control. Bethmann had resisted the seamen; he had resisted Falkenhayn but he was unable to resist Ludendorff.¹

¹ This is artlessly admitted by him. "At this period (spring and summer of 1916), I was able to impose my opinion, as the authority of General von Falkenhayn was not great enough...That which weighed the balance in favor of this war (unrestricted submarine warfare) was that now Field Marshall Hindenburg and General Ludendorff were at the head of the supreme direction of the Army (Views on the World War, page 251-252.)

While awaiting the oracle of the latter, submarine warfare was recommenced in the north, on 6 October 1916, in the milder form agreed upon following the SUSSEX affair, that is to say by respecting the formality of a preliminary warning.

Moreover, that which prevented more energetic action was the strong desire to do nothing to compromise the peace overtures undertaken at this time, which led to the German proposal of 12 December and the well known exchange of diplomatic notes.

From the beginning the German overtures for peace gave little promise of success. As soon as the tenor of the speech delivered by Lloyd George on 19 December became known in Germany, indicating that said overtures would not be accepted, Army General Headquarters again became active. On 22 December Ludendorff telegraphed to the Chancellor that it was now necessary to carry on submarine warfare with all the energy possible, that an unrestricted attack on commerce should begin before the end of January, and that in case of refusal by the government, the field marshal (he speaks in his name) could not remain at the head of the armies. On 23 and 26 December, in two other telegrams, Hindenburg insisted on the same course.

On 22 December Admiral Holtzendorff again presented his technical memoire of 7 January in which he had made only a few insignificant changes. He still counted on a monthly destruction of 600 000 tons, which, according to him would lead to the capitulation of England, not now in six months but in five.

Meanwhile on 30 December the definite refusal by the Entente of the German peace proposals came to hand. Consultation was necessary. At Pless, therefore, on 9 January 1917, the grand council of war assembled to decide what action should be taken. The Chancellor took part but as a nonentity. No further attention was paid to his opinions. "Upon my arrival at Pless, on the morning of the 9th, he said, a decision had already been reached de facto. The

supreme command of the army and the general staff of the navy had decided on carrying on submarine warfare... "On 9 January, in the evening, I waited on the Emperor, to take part in the conference. From the first moment the atmosphere of this meeting was generally speaking as heavy as it had been in the morning during my interview with the supreme command of the army. I had the impression of being in the presence of individuals thoroughly determined to brook no opposition to their resolutions already taken." Nevertheless the Chancellor still resisted somewhat, for form's sake. He renewed his doubts with regard to the success predicted by the seamen by the aid of figures. He imparted to them his fears regarding the great help America could bring to the enemy, which he thought ~~were~~ was too much underestimated by the military. He showed how, in the case of the failure of submarine warfare, the methods employed would lead straight to defeat. Having said this, he took pains to beat a retreat. "I will terminate by saying that in the presence of this situation and of the declaration made by Field Marshall von Hindenburg who had realized his full responsibility and felt that our military situation permitted us to take upon ourselves the absolutely imminent risk of rupture with America, I could not counsel His Majesty to place himself in opposition to the viewpoint of his military counsellors."

Thus the abdication of policy was now complete. Strategy remained mistress of the field, and from this council emanated the imperial decision to commence unrestricted submarine warfare on and after 1 February. By a memorandum dated 31 January this resolution was imparted to neutrals, supported by details of execution.

The result was not slow to follow. Immediately upon the receipt of the memorandum, the American government notified Count Bernstorff of the rupture of diplomatic relations with Germany, gave him his passports and recalled Mr. Gerard from Berlin. Then, three American ships having been sunk by ~~the~~

submarines, the United States on 2 April declared war on Germany, where however there was no realization of the terrible gravity of the event, so completely did the public share the boastful spirit of the military regarding the ultimate success of strategy.

In reality, by the defeat of policy, the irreparable was accomplished. The catastrophe had been brought about. The war was lost.

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And this event took place at the moment when the Allies, in spite of their determination to pursue the struggle to the end, would before long have been forced to yield on account of terrible financial difficulties! ¹

¹ See on this question, but little understood, the remarkable lectures delivered during 1925-1928 at the High Military Studies Center by Director Laporte, on economic mobilization.

See also the work of M. Lucien Petit, Inspector General of Finance: Histoire des finances extérieures de la France pendant la guerre.

From the very beginning of the war, England and France had indeed procured from the United States a large part of their necessities, and material from this quarter would end by constituting half of their total importations and two-thirds of what was required by their armed forces. The possibility of continuing the war depended therefore wholly on the methods of payment determined upon by America. Loans were obtained from the United States even and above all by means of heavy gold shipments intended to gain credit.

In 1915 the situation while difficult was still possible. England who had managed the financial interests of the Entente in dealings with the United States, had succeeded in substantially protecting said interests by the sale in the American market of 5 billion American securities, the completion of a loan of 1 billion 250 million francs, and the shipment of

1 billion, 800 millions in gold, not counting the placement in New York of a considerable quantity of British Treasury bonds.

The shipments of gold temporarily ceased during the first quarter of 1916. During the second quarter they recommenced (shipping 620 million francs). A few loans were conceded by the Americans, but for one year only. They were to expire in 1917.

During the third quarter, an English loan of 250 million dollars had but a mediocre success. It was necessary to send to New York 840 million gold francs. The financial position of the Allies grew worse. English holdings in American securities diminished visibly. The Entente showed a deficit of 500 millions in the Morgan bank which handled their affairs in America. Finally the horizon became further darkened/by the prospect of having to pay to the United States, about a billion a month, and during 1917, without prejudice to the reimbursement (4 billion) of loans contracted in this country and which were to fall due during the year 1917.

The fourth quarter of 1916 promised to be particularly difficult. The shipment to New York of 1,200 millions of gold francs was not sufficient to cure the situation. It was necessary to keep on borrowing, most of the time through intermediaries, in order not to definitely destroy the credit of the Allies. France, therefore, called upon various intermediaries, the cities of Paris, Lyons, Marseilles, Bordeaux, the Morgan Bank, the House of Schneider, etc. Loans were made at high rates which reached 8.15 per cent, a sum around one and a half billion. As was related later by M. Ribot, Minister of Finance at this period, "it was necessary at any cost to go on to the end and to strive to gain months, weeks and days."¹ England, on her side, at the end of October

¹ Letters to a friend.

sought to negotiate a loan of 300 000 dollars which, though the amount was

comparatively small, was received with very little favor. In the course of November the two allies who began to be reduced to expedients, thought of issuing to the United States Treasury notes payable in one or two months.²

² The control of the seas and the liberty of uninterrupted importation are very fine things. But when this importation has no corresponding activity it entails very serious financial consequences which must not be lost sight of.

It was at this critical moment, at the end of November, that the central bureau of the twelve American "reserve banks" issued to said banks a circular enjoining them to keep in circulation, for future use, their available funds amounting to 14 billions in gold and to refrain from immobilizing them in outside loans. In other words, the United States refused any renewal of credit to the Allies! They had left only the use of their gold.

The financial situation became tragic. In fact the banks of England and France had at their disposal, counting all their resources, but 6 billion gold francs, which corresponded, according to the "doubling rule" adopted by the Americans, to an opening of credit for 12 billions in 1917. On the other hand, the outside expenditures for this year (importations and reimbursement of loans as they fell due) amounted to 28 billions. Total bankruptcy was therefore only a question of months! This was a fact conceded by the French and English ministers of finance who met at this time. M. Ribot said in this connection: "Mr. Bonar Law, with me, counted the number of days we could hold out...

He remained calm...His conclusion was that we should make use of our gold until it was exhausted." The two statesmen did everything possible to hide this terrible danger from the public of their countries. On the other hand they were entering upon a desperate struggle upon which they staked their all. England withdrew her issue of Treasury notes. She canceled war material ~~parx~~ ~~shaxax~~ to the amount of 500 millions that had been ordered from the United States. She maneuvered towards placing a loan with Japan. Finally the Allies

hastened their shipments of gold.

A momentary relaxation took place. First of all, American industry suddenly deprived of orders amounting to 500 millions, protested against the attitude of the Federal Reserve Board. The latter on 30 December 1916 revoked its instructions of the end of November and again consented to long term loans to foreign countries for the year 1917. But this improvement was not sufficient.

Most fortunately German submarine warfare was to do the rest. First of all from the month of September on the violent campaign waged in the German papers in favor of an unrestricted submarine warfare, profoundly prejudiced American public opinion, the more so as the financial losses which the United States would suffer therefrom were emphasized.

At the beginning of February, as we have seen, the latter broke off diplomatic relations with Germany. The result of this was immediate. During this same month America granted England a loan of 250 million dollars, and at the end of March another hundred million dollars was loaned to France. The shipments of gold which reached their maximum during the first quarter of 1917 (1 500 millions of francs) assured the surplus.

In the month of April the United States entered the war. They immediately threw ~~themselves~~ into the struggle with the entire weight of their financial power. At the same time they gave England and France, without stint, enormous credits, followed by others later on to Italy, Belgium and Russia. The advances made to the first two nations for the first three months were the following:

England		France	
24 April,	100 million dollars	8 May,	100 million dollars
May,	225 - -	June,	100 - -
June,	140 - -		

and so on.

The shipments of gold to America fell to 870 million francs during the sec-

ond quarter of 1917, to 250 millions during the third, to 50 millions during the fourth.

The Allies were saved! And it was time!

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When we have committed a gross blunder it often happens that we attempt to console ourselves by forcing ourselves to believe and persuading others to think the same, that after all no serious consequences have resulted therefrom. We thus plead extenuating circumstances, to ourselves, to contemporaries and to posterity. Chancellor Bethmann-Hollweg has already given us a specimen of this method of procedure in the matter of the violation of Belgian neutrality and the intervention of England. The offense was repeated by the pursuit of unrestricted submarine warfare followed by American intervention.

He was aided in this task by Admiral Michelsen, former Superior Commander¹ of German Submarines.

¹ The Submarine Warfare. French translation. Fayot, 1928. A more than biased work, as are all publications of this nature. It attempts to prove to readers beyond the Rhine that Germany was beaten neither on land or sea. According to Admiral Michelsen the failure of submarine warfare was due to revolutionary intrigues from within! He failed to see or did not care to see the profound and wholly military cause for this defeat, namely, the effectiveness of the defensive reaction of the Allies during the latter period, and the lack of liaison among forces existing in the German camp in surface units and submarine units.

They both advanced rather weak arguments in support of their theories.

Admiral Michelsen alludes to imaginary negotiations having taken place before the war, between the United States and England. He dwells upon remarks made in the spring of 1916 by President Wilson in the course of his journey throughout the west in the United States, according to which he was opposed to the idea of making war against England. He recalled that Colonel House had said to Count Bernstorff that the President, at this time

had no power to compel England to modify her blockade regulations. And he deduced the fact that from this time (1916) President Wilson had determined to intervene against Germany.

This is a singular course of reasoning. Colonel House had in mind the sending of the note of 10 May 1916, wherein the American government had refused to admit that the attitude of the German Government towards neutral navigation depended upon that of another power, which it did not name but which was plainly England. On the other hand it is certain that American commerce was closely connected by economic relations with the Entente, through the furnishing of war materials, and that any measures taken to interfere with this were viewed by it with extreme disfavor. It was thus, for example, as we have seen above, that the Federal Reserve Board, under pressure from the business world injured by its "notice" of November 1916, had to retract this measure and again authorize loans to the Allies. As time went on President Wilson was more and more reluctant to adopt a hostile attitude towards England or even one of unfriendly neutrality. But between this and declaring war on Germany there lay a deep gulf which neither he nor his countrymen cared to bridge.

Likewise Admiral Michelsen pretended that the United States entered the struggle because they believed the situation of England was so critical that she was in danger of losing the war. Now such solicitude on the part of America is not borne out by facts. If after the month of December 1916 she had not been irritated by the demonstration of German public opinion with respect to submarine warfare, she would have remained as serenely indifferent to the fate of the Allies as we have pointed out.

Chancellor Bethmann-Hollweg, like Admiral Michelsen, also lays great stress on a statement made by Mr. Wilson in August 1919, to the American

Senate, in reply to a question from Senator MacCumber. The president is said to have declared that, even if the United States had experienced no direct prejudice on account of German submarine warfare, they would have taken part in the war. Neither does this prove anything, because from start to finish the American government in this matter argued on grounds of principle and always refused to admit the legitimacy of submarine warfare, which according to them was strictly irregular by law. As a matter of fact the rupture of diplomatic relations with Germany immediately followed the declaration of unrestricted submarine warfare, and this without American interests having further suffered thereby.

Admiral Michelsen states in addition that at the beginning of the summer of 1916 the President had commissioned a New York banker, Mr. Baruch, to establish a secret organization with the object of purchasing material and preparing transports for an overseas war, and he draws therefrom conclusions which may be imagined. Now if this is a fact, it simply proves that the President already had the presentiment that Germany's methods of procedure would compel him to act, and that all this would end badly. This is in fact what he said to Mr. Tumulty, his private secretary, at the time the United States entered the war: "I saw from the first that we would come to this." And we cannot consider it strange that from this time on he took measures for a contingency which in reality he did not at all desire.

Moreover, the two Germans whose pro domo plea we cite here, did not perceive that they contradicted themselves, and this when they assure us that the United States in the spring of 1916 was peacefully inclined. Admiral Michelsen was of the opinion that if unrestricted submarine warfare had been declared at this time they would not have moved. He recalled that public opinion and the American Congress had not/been brought to the idea of entrance into the struggle, and that a certain number of legislators reproached the President for his

lack of friendly neutrality with regard to Germany. He cites also the protestations of Mr. Wilson, in July 1916, on account of certain acts of England (the establishment of black lists). And Chancellor Bethmann-Hollweg intervened here to admit: "But it had become incontestable that a submarine warfare carried to the limit would lead to war with America." This was in fact what happened. How was it, moreover, that this nation, so pacific in the beginning of 1916, should rise as one man a year afterwards, if it were not under the influence of a violent disturbance of foreign origin?¹

¹ An American, Mr. Frank Simonds, has even affirmed, with documents to support it, that if the Germans had not conducted a submarine warfare the United States would have ended by declaring war on England, as in 1812, and for analogous reasons.

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Finally it seems appropriate, in the order of the ideas we are considering, to make two correlated statements.

First, between the two colossal mistakes made by strategy - which were the violation of Belgian neutrality and unrestricted submarine warfare - there is a sort of geared connection. By the invasion of Belgium Germany provoked England and condemned herself to an irremediable maritime inferiority. Her inequality in ~~balance of the~~ surface forces ~~was~~ hopelessly ~~fixed~~ placed her at a disadvantage. To escape the consequences of this situation Germany found herself obliged to cast into the arena her submarine force, and by a fatal consequence must first use and then abuse this weapon. The downward path was inevitable. In the end came also, fatally, the entrance of America into the war. This inexorable chain of events was decreed, in fact ordained from the time of the entrance of the troops into Liège. In a parallel sense, we know the beginning but not the end. And the path is the easier to follow when the traveler feels the vertigo of his power and his political judgment has become obscured by the desires and claims of an all powerful strategy. The agitator

is therefore generally, in the essence of things, a blunderer, and his blunders contribute towards his undoing and towards the saving of his adversaries and with them the liberty of the world.

Thus we see - and this is our second remark - that if we contrast first the violation of Belgian neutrality and unrestricted submarine warfare with such decisions as that taken by France regarding the "10-kilometer retirement" and that of England regarding the contreband of cotton, we grasp one of the principal and profound causes which determined the course of events and the destiny of the war of 1914. And this parallel shows us that strategy, generally speaking, need feel no regret for having yielded to the well founded exigencies of policy.

.Admiral Castex.