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WAR DIARY

German Naval Staff Operations Division

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OFFICE OF NAVAL INTELLIGENCE

Washington, D.C.

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Foreword

1. The Office of Naval Intelligence has undertaken to translate important parts of the War Diary of the German Naval Staff. The present volume, entitled War Diary of the German Naval Staff, Operations Division, Part A, Volume 2 is the eighteenth one of the series to appear. Other volumes will follow shortly.

2. The War Diaries, Part A, are important because they contain a day by day summary of the information available to the German Naval Staff and the decisions reached on the basis thereof. Together with the Fuehrer Conferences on Matters Dealing with the German Navy, 1939-1945, and the Fuehrer Directives, 1939-1945, which have been published by this office, the War Diaries should provide valuable material for the study of naval problems arising from total war. The War Diary, Part A, is also a useful index to the German Naval Archives of World War II; references may be found in the micro-film library of Naval Records and Library.

3. Due to the cost of publication, only a limited number of copies could be made; it is therefore desirable that the copies which have been distributed are made available to other offices which may be interested.

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DECLASSIFICATION OF WWII RECORDS

1 Oct. 1939

CONFIDENTIAL

For the organizational set-up of the naval and air forces under the command of Group Baltic and Group West as of 1 Oct. 1939 and the list of all enemy warships and merchantmen so far sunk, see Part B, Vol. V.

Fuehrer Directive No. 5 contains, among other things, supplements and amendments to the instructions issued in Directive No. 4 for naval warfare, detailed as follows:

I. Warfare against France to be conducted exactly in the same manner as against Great Britain.

II. War against merchant shipping to be conducted according to prize regulations, with the following exceptions:

1. sinking, without warning, of merchantmen and troop transports definitely recognized as enemy vessels;
2. sinking, without warning, of vessels proceeding without lights in waters around Great Britain;
3. armed force against merchantmen making use of their radio;
4. passenger steamers and vessels obviously carrying passengers in large numbers are not to be sunk.

III. Permission to attack British and French warships at sea is given to air forces operating over the North Sea; permission is likewise granted to the Air Force to carry on the war against merchant shipping in accordance with prize regulations.

Executive orders concerning I, II, 1 (with reference to troop transports), II, 3, 4 and III were already issued at an earlier date following verbal approval by the Fuehrer. Concerning II, 2 the following order is issued to Commanding Admiral, Submarines:

CONFIDENTIAL

B-3957

1 Oct. 1939

CONFIDENTIAL

"Since it must be assumed that warships or auxiliary warships are involved when vessels sailing without lights are encountered on the British and French coasts, permission is granted for full use of arms against vessels sailing without lights in the following area: Between 44° N and 62° N and between 7° W and 3° E."

The area has, for the time being, been limited as stated in order to render possible an "undisturbed departure of the American steamer IROQUOIS." Naval Staff has received information from a certain source that it is intended to sink this steamer (which is to leave Ireland for America within the next few days with American passengers on board) close to the American coast for the purpose of influencing public opinion in America against Germany.

The German Minister in Panama reports that the atmosphere at the Panama Conference has deteriorated due to objections raised by Uruguay, Chile, and Argentina against the list of conditional contraband and the setting-up of a black list.

A British radio message to the South Atlantic forces contains data on the rendezvous of German vessels for 28 Sept. Pocket battleships are informed of this as it is possible, if rendezvous has been arranged, that it has become known to the British. (Radiograms 1431/1 and 1524/1).

The pocket battleships are likewise informed that:

1. enemy submarines are reported in the area of the Canary Islands and the Azores;
2. South America service has been resumed by Air France since 24 Sept.

(Radiogram 1326/1).

Special Reports on the Enemy, 1 Oct.

Great Britain:

Atlantic:

CONFIDENTIAL

1 Oct. 1939

CONFIDENTIAL

Radio Monitoring Report: All vessels are warned by radio broadcasts that an armed German warship ("armed trade raider", ~~inserted in~~ original.- Tr.N.) is operating along the east coast of South America. The Admiralty in Paris also reports: "Enemy auxiliary cruiser at 8° 50' S, 34° W on 30 Sept." (Position of the GRAF SPEE).

(The enemy warning ~~about~~ a German auxiliary cruiser ~~was~~ transmitted to the pocket battleships).

The Attaché in Washington ~~reported~~ that according to Montreal newspapers, grain shipments to Great Britain amounted to nine times those of the preceding week, as a consequence of the formation of convoys and Government sales.

Four British destroyers have been reported off Las Palmas since 29 Sept. Their presence probably serves in the main the purpose of watching the German base-ship of the Lufthansa lying in Las Palmas.

North Sea:

According to radio monitoring, the following of the Home Fleet were established at sea on 30 Sept.:
Commanding Admiral, Battle-Cruiser Squadron, the RODNEY, the net layer GUARDIAN and the cruiser AURORA, together with the 6th and 8th Destroyer Flotillas.

In view of the danger from German planes in the North Sea which, on several occasions, has been impressively demonstrated to the British Fleet, it may be assumed that this unit is being transferred to the west coast of Scotland to take up defensive positions there in temporary bases and bays by laying nets against German submarines.

Several flights by enemy planes over the Heligoland Bight on 1 Oct.; no bombs dropped.

France:

Nothing to report.

B-3957

CONFIDENTIAL

1 Oct. 1939

CONFIDENTIAL

Own Situation 1 Oct.

Atlantic:

No new reports from the SPEE and submarine U "35".

North Sea:

Operations against merchant shipping by destroyers and torpedo boats in the Skagerrak and Kattegat yielded the following results:

104 steamers stopped and searched
13 steamers brought in.

A further sweep by three destroyers into the Skagerrak has been planned by Group West for 2 to 4 Oct.

Minesweeping and patrol operations in the Heligoland Bight are being continued according to plan. Exploratory sweeps did not establish the presence of mines.

Submarine Situation:

Atlantic:

U "35" in the western outlet of the Channel.

North Sea:

Off Skudenes: U "16".
In the Channel : U "12", U "15".

On return passage: U "3", U "7", U "13", and U "31".

Apart from submarine U "39", which must be assumed lost, it is now also probable that U "27" (Commander: Lt.s.g.Franz) is lost as ~~she~~ has not answered repeated requests regarding position.

En route to the operational area of the Orkney Islands: U "10", U "20", and U "23".

CONFIDENTIAL

B-3957

1 Oct. 1939

CONFIDENTIAL

War against Merchant Shipping by Submarines.

The question as to whether the Danish steamer VENDIA was torpedoed without warning, as claimed in news from Denmark, has been settled, by inquiry addressed to submarine U "3", to the effect that the submarine cornered the steamer after an attempt to escape and torpedoed her while she was trying to ram the submarine. The action taken by the submarine was, therefore, in order. Any protests on the part of the Danish Government are to be rejected. The matter will be investigated further after the return of the submarine.

Baltic Sea:

Danzig Bay:

In the forenoon the following letter from the Commanding Admiral of the Polish Fleet, Rear Admiral von Unruh, was received by Commanding Admiral, Danzig Bay:

"To the German Admiral aboard the SCHLESWIG HOLSTEIN:
Suggest cessation of combat. Request that truce officer be dispatched to naval base Hela. Please state time."

According to statements made by deserters, the devastating effect of the heavy shelling by the battleships particularly is said to have demoralized the Poles.

At 1700 conference between Commanding Admiral, General Kaupisch and Captain Majewski, the Polish truce officer. At 1900 unconditional surrender. Hela was handed over on 2nd Oct. at 1100. **Four hundred** and fifty officers and over 4,000 men were taken prisoner.

In the forenoon of 1 Oct. repeated submarine alarm off Neufahrwasser, later on off Rixhoeft and off Pillau. At 1440 minesweeper M "85" **was** lost about three miles east of Heisternest; the boat sank; 24 casualties. It has not yet been settled whether this was caused by a torpedo or a mine.

Minesweeper M "3" **located** a submarine near the point where the boat went down.

B-3957

CONFIDENTIAL

1 Oct. 1939

CONFIDENTIAL

It was not observed whether dropping of depth charges was successful. It is highly probable that this was the last remaining Polish submarine ORZEL. Hela is issuing orders to her to surrender. However, it is not certain that the radio order has been received, as her radio apparatus is apparently out of order.

War against Merchant Shipping in the Baltic Sea.

So far twelve steamers are en route to Swinemuende to be searched. The Naval Air Force very successfully assisted operations against merchant shipping and compelled five steamers to take up courses towards our patrol boats.

New Units: The 1st Patrol Boat Flotilla and the 19th Minesweeper Flotilla were commissioned.

Merchant Shipping.

1. Own Shipping:

Of the 9 German vessels reported lost

3 were seized in enemy ports
1 was captured by the enemy
4 were sunk by the enemy or scuttled, and
1 was beached.

2. Neutral Shipping:

Baltic Sea:

Negotiations are said to have been concluded in **Goeteborg**, according to which American vessels are, from now on, to carry wood and cellulose from Sweden to Great Britain.

Shipping in Danzig Bay was temporarily stopped because of danger from submarines.

Heavy traffic is passing through the new Swedish channel off Falsterbo. On 30 Sept. 21 neutral vessels put out through this channel and 23 put in. Only 2 neutrals put out through the Sound barrage. The gap in the Sound barrage serves almost exclusively German traffic.

North Sea:

According to various reports, neutral vessels have

1 Oct. 1939

CONFIDENTIAL

been delayed in the Downs for as long as 17 to 21 days for contraband control.

Churchill's speech over the radio. (For excerpt see War Diary, Part B, Vol. V).

2 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items.

I. Chief, Naval Staff again emphasizes the necessity of uninterrupted operations against merchant shipping in the Kattegat and frequent sweeps into the Skagerrak and the North Sea. Chief of Staff, Naval Staff, subsequently reports on the plans of Group West transmitted by Commanding Admiral, Group West (Admiral Saalwaechter) in the course of a conversation over the teletype:

- a. Thrust by destroyers from the Baltic Sea for operations against merchant shipping in the Kattegat as far as the Skagen-Paternoster line from 2 to 4 Oct. Thrust farther north planned only if weather permits because of the difficulties of searching in the open sea.
- b. Commanding Admiral, West plans a major sweep in the near future with the GNEISENAU, two cruisers, and all destroyers; on this occasion a sweep by the battleship as far as Utsire is planned. (The second battleship is not yet ready for operations).
 1. Commanding Admiral, Group West approves of the plan for the following reasons:
 - a. Battleships and cruisers have not gone into action since the beginning of the war. An operation is, therefore, necessary for psychological reasons alone.
 - b. Tying down of the battle/cruisers in Scapa by the appearance of German battleships in the North Sea is desirable for the operations of the pocket battleships in the Atlantic.
 - c. There would be a good opportunity for our submarines off Scapa to attack if the British heavy forces lying in Scapa were to put out for the purpose of intercepting the German battleship.
 - d. The opportunity for our own air forces to attack would present itself during operations by the

CONFIDENTIAL

2 Oct. 1939

CONFIDENTIAL

British Fleet in the North Sea. The danger to our battleship from the British Air Force is considered bearable in view of the superiority of our defense weapons.

The operation is planned for five days before the new moon. Extensive air reconnaissance is a necessary condition.

2. Chief, Naval Staff agrees in principle with the projected operation which is welcomed particularly in the interest of the greatest possible activity by German forces.

II. Chief, Naval Staff discusses the possibilities for further operations submitted to him by Chief, Armed Forces High Command, and issues instructions for considerations on these by Naval Staff:

1. Attempt a decision by operations on land in the west. Concentrate the entire armament industry and war economy on the Army and Air Force.
2. Attempt a decision by the "siege of **Britain**". Concentrate efforts on the most speedy and large-scale expansion of the submarine arm and of the aircraft types required for warfare against **Britain**.
On land: defense in the west.
3. Defense at sea and on land; delaying tactics. Concentrate on the expansion of all branches of industry and economy and the enlargement of the German raw material stocks, aiming at an unlimited endurance of German economy and food supplies.

Chief, Naval Staff believes that the most effective means to bring about the defeat of our main enemy, Great Britain, will lie in submarine and air warfare during the siege of **Britain**. Detailed considerations on this are to be drawn up. However, it is naturally impossible to guarantee the absolutely fatal effect of this kind of warfare.

Concerning further construction on the aircraft carrier **GRAF ZEPPELIN**, the following instruction is issued to Service Division by Naval Staff:

2 Oct. 1939

CONFIDENTIAL

The possibility of using the aircraft carrier GRAF ZEPPELIN in the present war cannot be visualized as yet. At any rate, her further construction must take second place to particularly urgent construction tasks as called for in the mobilization plan (submarines, destroyers, minesweepers, cruisers, and battleships). The following factors are to serve as a basis for considerations with regard to completion, etc.:

1. No delay in, impairment of, or risks to tasks of the Navy which are particularly vital to the war effort.
2. Care and maintenance of material.
3. Protection from enemy action.

On the question of sinking without warning any merchantmen definitely identified as enemy vessels, the Foreign Office is briefly informed of the views held, and a tentative order transmitted, for information, which permits the sinking without warning of enemy merchantmen which are seen to be armed. (See War Diary, Part C, Vol. VIII).

Naval Staff is quite aware that the armament of a merchantman can be made out by the submarine only with great difficulty, in most cases not at all. It therefore regards the instructions planned merely as a provisional measure to bridge the gap until, as a result of further political developments, it will be possible to permit sinking without warning of all merchantmen definitely identified as enemy vessels.

Special Reports on the Enemy 2 Oct.

Great Britain:

An agent **reported**: A minefield has been laid across the Channel from Vimereux (north of Boulogne) into British territorial waters. Neutral steamers are thus forced to pass through British territorial waters and to subject themselves to British contraband control.

CONFIDENTIAL

2 Oct. 1939

CONFIDENTIAL

Radio monitoring report: The flotilla leader KEITH and an unknown destroyer were sent out on submarine chase in the western outlet of the Channel on 2 Oct. (possibly against our submarine U"35" operating in this area).

Radio Daventry reports that survivors of the British steamer CLEMENT were landed today, 2 Oct., in Bahia. The same station supplements its report in the afternoon to the effect that the steamer was sunk by a German auxiliary cruiser which has not yet been identified. An operation against this cruiser is said to be in progress.

It may be assumed that the GRAF SPEE, realizing that she had been reported already, handed the crew over to a neutral steamer and is now changing her operational area.

France:

Radio monitoring revealed the following news:

Submarine chase by the flotilla leader MOGADOR and two destroyers against a submarine (U"35" - see above) off Quessant on 2 Oct. at 0505. Chase is broken off at 1100 without result.

French submarines are continuously cruising between Brest and the northwestern point of Spain.

An unidentified command post (presumably Commanding Admiral, Atlantic Fleet) at sea in the area of Brest on 2 Oct.

North Sea:

The cruiser BELFAST was assigned to the 2nd Cruiser Squadron.

Radio monitoring reveals the presence at sea of the cruiser AURORA (destroyer leader) together with the 8th Destroyer Flotilla and parts of the 6th Destroyer Flotilla.

The older cruisers ENTERPRISE, EFFINGHAM, and EMERALD form a unit and are obviously being used for patrolling the northwestern passages, which up to now has been done only by destroyers, patrol vessels, and planes (Northern Patrol).

2 Oct. 1939

CONFIDENTIAL

The FURIOUS and the ARK ROYAL were noticed by the Radio Monitoring Service as addresses of radio messages. According to this, the FURIOUS is still in the northern area. Radio Daventry broadcast a description of the visit of the American Naval Attaché for divine service aboard the ARK ROYAL and subsequently aboard battleships. The battleships are all said to be undamaged.

According to radio monitoring it must be assumed that on 26 Sept. the complete annihilation of a British aircraft carrier was not accomplished by our air attacks, although there is still the possibility of a wilful deception by false British reports. In order to evaluate the result of the reported bomb hits, further reliable news must be awaited.

According to information from a reliable agent British North Sea shipping is said to be following a route off the British coast within territorial waters as far as the Firth of Forth or Aberdeen and from there direct to the southern point of Norway. (This measure would explain the declared area from Newcastle as far as the Humber).

An agent claims to have learned from a non-commissioned officer of a destroyer lying in Dover that laying of an anti-submarine barrage Scotland-Norway is planned for the beginning of the autumn bad weather period in order to seal off the outgoing routes of German submarines.

Its source and contents give rise to strong doubts as to the correctness of the report. The impressions so far gained from the use of mines in the North Sea by the British lead to the assumption that the present British mine supply is inadequate for such a large-scale task as is represented by the closing of the area between Scotland and Norway. Another fact that speaks against the correctness of the report is that such a large-scale minelaying cannot possibly be carried out properly in bad weather. (See also Part C, Vol. VI, "Mine Warfare").

CONFIDENTIAL

2 Oct. 1939

CONFIDENTIAL

Own Situation 2 Oct.

Atlantic:

Nothing to report.

North Sea:

The very stormy weather (wind NE 9) restricts the operations of light forces or prevents them completely.

The minelayers TANNENBERG and KOENIGIN LUISE, for which there are no operations in the North Sea at present, are made available to Commanding Admiral, Group Baltic for operations against merchant shipping, subject to recall by Group West.

In the course of the flight by enemy planes into the Heligoland Bight on 29 Sept. it was established that radar obviously does not give any reliable data at low altitude. The low altitude of ten meters maximum above sea level, chosen to ensure against radio interception according to statements by captured British, seems to indicate similar experiences by the British.

New Units:

A mine-exploding vessel group comprising three steamers was commissioned.

Baltic Sea:

In the course of operations against merchant shipping at present in progress 19 steamers have so far been seized. The commitment of the Naval Air Force has proved very successful. The steamers are being brought into Swinemuende.

Western Part of the Baltic Sea:

Barrage patrol according to plan. Sound patrol at present being carried out by five steam trawlers of the 17th Submarine Chaser Flotilla.

2 Oct. 1939

CONFIDENTIAL

Danzig Bay:

The southern point of Hela as far as Juvota ~~was~~ surrendered at 1100 to Commanding Admiral, Danzig (Rear Admiral Schmundt) by the former Polish Commanding Admiral, Fleet. So far 2,000 prisoners, as well as considerable material; two mine-sweepers of the ZURAW class were taken over by us completely intact.

Submarine Situation.

Atlantic:

U "31" put into Wilhelmshaven from long-range operation.

Results:

4,640 ~~GRT~~ sunk and
two steamers sailing in convoy attacked.

Thus all Atlantic submarines have returned to home waters with the exception of U "35", still operating in the western outlet of the Channel, and the two overdue submarines U "27" and U "39".

U "42" ~~sailed~~ for the operational area of the Atlantic as the first boat of the new submarine wave.

North Sea:

U "13" put into Wilhelmshaven returning from the Firth of Forth.

U "18" left for the operational area of the North Sea.

U "16" is still off Skudesnes.

U "10" is now assumed to be in position west of the Orkney Islands.

U "20" and U "23" are approaching the area of the Orkney Islands.

2 Oct. 1939

CONFIDENTIAL

Results:

The following successes are assumed as certain after a thorough check by Commanding Admiral, Submarines:

By U "14" on 15 Sept.: 1 British submarine
by U "21" on 22 Sept.: 1 British destroyer
by U "22" on 28 Sept.: 1 British submarine.

The torpedoing of a destroyer reported by U. "24" on 24 Sept. was obviously a miss.

War against Merchant Shipping by Submarines.

On 1 Oct. the British Admiralty issued the following warning to British merchant shipping:

"A few German submarines have in the last few days been attacked by British merchantmen. In this connection the German radio **announced** that German submarines have hitherto adhered to International Law by warning merchantmen prior to attack. Now, however, Germany will retaliate by considering every British merchantman as a warship. While the above is entirely untrue, it might indicate an immediate change in the German policy of submarine warfare. Be prepared to meet this probability."

On the evening of 1 Oct. the following supplementary warning by the Admiralty was broadcast:

"The British Admiralty announces that German submarines are pursuing new tactics. British vessels are called on to ram every German submarine."

Thus the British Admiralty has issued an official and open request to merchantmen for direct participation in operations by offensive action against warships. The report affords Naval Staff a welcome pretext for **preparing further propaganda for an** intensification of the war against merchant shipping by submarines. (For further details see War Diary, Part C, Vol. VIII).

2 Oct. 1939

CONFIDENTIAL

In order to define the term "passenger steamer" which, according to the Fuehrer's wish, may not be sunk, the following order is given to Commanding Admiral, Submarines and to the Groups:

"Vessels are to be regarded as passenger steamers which, in the opinion of the commander, are adapted to carry more than 120 passengers. Navy Directive No. 87 serves as a guide in this respect. Particularly decisive are the number of boats (more than four on either side), length and number of promenade decks and port holes."

Merchant Shipping 2 Oct.

1. Own Shipping.

Merchant shipping in the Baltic Sea is again permitted but still remains closed for transports and passenger steamers.

Five German steamers are homeward-bound from Murmansk.

2. Neutral Shipping.

Finnish steamers with shallow draught coming from Abo no longer take the route south around Sweden but leave Stockholm through the Wener Lake and the canals to the west coast of Sweden. They are said to be vessels carrying foodstuffs for England. Two steamers are said to have already reported back that they have come through to England, one of them with 2,000 barrels of butter.

A report from **Gooteberg** states that so far no convoys from there to **British Isles have been formed. Vessels proceed** within territorial waters as far as Lindesnes and from there to England (Newcastle, Pentland).

The Naval Attache in Spain reports difficulties encountered by German vessels in leaving Spain (desertion by members of the crew, disciplinary difficulties, indiscretions regarding intended departure, intensified port patrol by Spanish authorities). Detailed investigation is under way.

3 Oct. 1939

CONFIDENTIAL

Inquiry to Air Force General Staff, Operations Division about the possibility of the operational Air Force conducting war against merchant shipping in accordance with prize regulations and about plans of the Air Force for conduct of war against merchant shipping during the "siege of **Britain**" reveals the following views:

1. War against merchant shipping in accordance with prize regulations cannot be carried out by the units of the Air Force.
2. Air Force General Staff regards the main objective of the fight against Great Britain up to about spring 1940 to be against British Air Force armament factories.

Suitable planes in sufficient numbers for effective participation in the blockade of **Britain by sea west of Ire-**land will not be available until the end of 1940 or the beginning of 1941. Up to that time the blockade in the North Sea area by the Air Force remains a task of secondary im-portance. It is planned effectively to support the blockade by combined attacks on the main enemy ports of entry and naval bases.

Items of Political Importance.

Conferences of the Estonian, Lithuanian and Latvian Foreign Ministers in Moscow foreshadow a stronger Russian influence on the Baltic States, aiming at final military and political control of Estonia, Latvia and Lithuania by Soviet Russia.

In France there is still slight inclination for the continuation of the conflict on the part of the people and the troops; they obviously tend to a conclusion of peace under acceptable conditions not entailing a loss of prestige. The Daladier Government is resolved to adhere to the previous policy in complete alliance with Great Britain. A change of Government, however, appears possible. Flandin is in favor of coming to an understanding.

According to reliable reports, there is no inclination in Great Britain to abandon the policy pursued so far. The Government press is out-doing itself in strong statements of rejection.

Increased British pressure on Portugal.

3 Oct. 1939

CONFIDENTIAL

Count Ciano, the Italian Foreign Minister was in Berlin on 1 Oct. for conferences with the Fuehrer. The political situation within Italy is apparently not very favorable; the population is divided in its attitude. Party conflicts between Royalists, Fascists, and Communists. As a result political leadership is restrained. Unsettled attitude towards Germany.

In the Scandinavian countries fears regarding further developments in the Baltic States are coupled with uneasiness and excitement about the capture and sinking of Scandinavian vessels by German submarines.

The Balkan States, strongly impressed by the Russo-German agreements, are endeavoring to maintain neutrality.

USA: Public opinion divided; in principle, however, in favor of the Western Powers and apparently ready to afford them every economic support. The General Staff is putting a damper on anti-German propaganda and does not consider active military participation in Europe. The present state of armaments does not permit it. Even participation of major air force units in Europe cannot be expected before summer 1940.

Conference on the Situation with Chief, Naval Staff.

Special Items.

Further Operations by Submarines.

1. Commanding Admiral, Submarines, present in person, reports on plans for forthcoming operations. Altogether eight submarines are ready to put out. The first left on 2 Oct. In the opinion of Commanding Admiral, Submarines, the war against merchant shipping in accordance with prize regulations close to Britain is greatly impeded in view of the present state of British defense measures (danger from the air). Commanding Admiral, Submarines considers it wrong to waste the few available boats in the Atlantic for the purpose of war against merchant shipping in accordance with prize regulations; however he sees good chances for success in collective commitment against convoys: **boats should approach operational area separately.** War against merchant shipping in accordance

3 Oct. 1939

CONFIDENTIAL

with prize regulations to be conducted during approach, outside the coastal waters of England. Basing his opinion on experiences gained during World War I, Commanding Admiral, Submarines believes that this practice still promises good success provided the commanders exercise the necessary caution and the operational areas are favorably situated. Boats will proceed separately as far as the area off the western outlet of the Channel, then joint operation is planned under Commander, 6th Submarine Flotilla (Lt.Cdr.Hartmann) in the area off the west coast of Spain. **Alternate** area northwest of the Bay of Biscay on routes used by British convoys from the west.

Chief, Naval Staff agrees with the intended operations.

2. Commanding Admiral, Submarines points out that 1940 must be regarded as a year of weakness as regards submarines. At present there are 29 Atlantic boats available; there will be 9 more by 1 Apr. 1940, thus making 37 boats theoretically available at that time. On the basis of previous experiences, however, a loss of at least two boats monthly in the Atlantic must be expected. In other words, there is no relation between the replacements and the possible losses. Accordingly, it may be presumed that fewer boats will be available in 1940 than at present.

3. Commanding Admiral, Submarines reports on special operation "P". Prospects of success appear favorable; Chief, Naval Staff gives his approval.

4. Question of purchase of submarines from neutral countries: Chief, Naval Staff has discussed the possibilities with the Reich Foreign Minister. The matter will be pursued after the decision on the continuation of the war. With regard to Russian assistance, the Reich Foreign Minister believes that he can count on far-reaching support. In Murmansk our vessels could refuel without difficulties and take on other supplies. In the opinion of Chief, Naval Staff the same will apply to the Far East (Vladivostok).

On the question of the possibilities of Russia supporting the German war effort, Chief, Naval Staff requests further considerations by Naval Staff for the purpose of proposals to the Reich Foreign Minister.

5. Chief, Naval Staff considers it necessary to acquaint the Fuehrer as quickly as possible with the considerations of Naval Staff on the possibilities of extending operational bases to the north. It is to be investigated whether, under the combined pressure of Russia

CONFIDENTIAL

3 Oct. 1939

CONFIDENTIAL

and Germany, there is a possibility of gaining bases in Norway with the object of fundamentally improving our strategic and operational position. The following questions are to be carefully investigated:

- a. Which places in Norway could be used as bases?
- b. Can the bases be seized against Norway's will by military force in case this is not possible by peaceful means?
- c. What possibilities are there for defense after taking possession?
- d. Is it necessary for the ports to be expanded as bases or do they perhaps offer decisive advantages already as supply points? (Commanding Admiral, Submarines considers such ports already extremely valuable as equipment and supply bases for temporary calls by Atlantic submarines).
- e. What decisive advantages would be entailed for German naval warfare by acquiring a base in the northern part of Denmark as, for instance, Skagen?

(With regard to 4 and 5: See also War Diary, Part C, Vol. II "Warfare in the North Sea").

6. Conference between Chief, Naval Staff and the Italian Naval Attaché, Pecori, has the following results:

The Attaché was received personally by Mussolini for discussion of the wishes directed to Italy by Naval Staff:

- a. Possibility of equipping German naval vessels in Italian ports and bays is being favorably considered. However, there is to be no violation of neutrality whatsoever.
- b. Agree, in principle, to the sale of submarines to Germany; completed boats, however, do not come into question but only those under construction. Submarine operations are, however, not to be started from Italy but only from Germany.
- c. Support to Germany by supplying intelligence is assured. To that end an extensive organization is being developed.

3 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 3 Oct.

I. Atlantic.

Great Britain:

Conjectures about the appearance of a German warship in the South Atlantic continue to circulate. Foreign news reports speak of a raider, a cruiser, an auxiliary cruiser, and a pocket cruiser. One British report states: If, contrary to expectation, a ship of the DEUTSCHLAND class is involved, she could only be cornered, because of her fighting qualities, by three British and two French battleships.

Reuter makes mention of the presence of the heavy cruisers BERWICK, EXETER and YORK with 20.3-cm guns and the cruisers AJAX and ORION, which are said to be ready to take up the chase on the American coast. (For additional news see War Diary, Part B, Vol.V.).

An aircraft carrier was established by radio monitoring in the area of Portsmouth at 1500 (probably the HERMES).

Spanish reports afford the following picture of the naval situation in the Gibraltar area:

Gibraltar forces: The RAMILLIES, 5 cruisers of the "C" and "D" class, about 20 destroyers, 1 submarine; also light French vessels; temporarily the 2nd (Old) French Battleship Division.

Patrol forces: In the Strait of Gibraltar destroyers of an older type, at least three permanently in position; altogether about 25 vessels. No cruisers. Control of shipping at sea. Thorough search in port.

Convoys: Since 1 Sept. 1939 24 convoys, 7 of which entered Gibraltar (5 from the west, 2 from the east), 10 left Gibraltar (5 westbound, 2 eastbound, 1 southbound for Casablanca or Dakar, 2 destination unknown) and 7 passed the Strait of Gibraltar (3 westbound, 2 eastbound, 2 destination unknown). Figures given represent minimum numbers. Normal strength of convoys: 6 to 10 vessels; now and then exceptionally large ones, up to 32 steamers.

Escort of convoys: In most cases 1 cruiser or auxiliary cruiser, 2 to 4 destroyers, always seaplanes; submarines frequently observed. Escort forces consisted of British and French vessels.

3 Oct. 1939

CONFIDENTIAL

Barrage situation: No mines detected in the Strait of Gibraltar. Northern entrance to Gibraltar protected by a net barrage.

France:

Radio monitoring **spotted** a convoy of transports in the area of Madeira, bound for Casablanca. It is possible that vessels arriving unescorted from the West Indies and South America are forming convoys here for passage through the danger zone.

II. North Sea.

On 2 Oct. radio monitoring revealed the following at sea: In the area of Northern Scotland the ARK ROYAL, the 6th and 8th Destroyer Flotillas; in the Rosyth area the FURICUS, the 2nd Cruiser Squadron, the 7th Destroyer Flotilla; in the Northern Patrol the light cruiser DIOMEDE. Within the Home Fleet the new unit "Scotland Forces" made its appearance; to this apparently belong the vessels reported in the Rosyth area and the heavy cruiser NORFOLK.

III. Baltic Sea.

The Polish minefields lie north and northeast of the southern point of Hela and one south of it, according to statements of the former Polish Commanding Admiral, Fleet.

Own Situation 3 Oct.

Atlantic:

Nothing to report.

North Sea:

The projected operation against merchant shipping in the Skagerrak and Kattegat starts in the evening of 3 Oct. with three destroyers and three torpedo boats, supported by air reconnaissance. In the course of evening reconnaissance west of Paternoster a plane flying outside Swedish territorial waters was twice fired on by a Swedish destroyer.

3 Oct. 1959

CONFIDENTIAL

A protest has been made to the Swedish Government.

Group West **received** instructions to order the steamers lying in Dutch ports to put out and to pick them up off Schiermonnikoog (Dutch escort is no longer to be awaited).

Baltic Sea:

Operation against merchant shipping led to the seizure of altogether 21 steamers (4 of them so far released after being searched).

Swedish newspapers report the violation of Swedish neutrality by unlawful tactics of German planes and vessels. Commentaries are unfriendly, some anti-German. The various incidents should form the subject of a sharp protest to the Swedish Government. (Swedish destroyers firing on German planes, interference of Swedish planes and warships in German operations on the high seas, attempt by a Swedish steamer to ram a German submarine). In addition, the opportunity appears to be favorable to exploit the uncertainty prevailing, even according to Swedish reports, in regard to the extent and legal claim of Swedish territorial limits, in order to reduce to 3 miles the Swedish claim to a 4 mile zone. (For further details also see War Diary, Part C, Vol. VIII.).

Western Part of the Baltic Sea:

Barrage patrols according to plan.

Danzig Bay:

No minesweeping because of the weather. Prisoners taken off Hela. Polish Admiral von Unruh aboard the SCHLESSEN. The Polish minesweepers ZURAW and CZAYKA are manned by the crew of the sunken minesweeper M "85".

The remaining boats of 7th Patrol Boat Flotilla put into commission.

Submarine Situation.

Atlantic:

3 Oct. 1939

CONFIDENTIAL

U "35" still in the western outlet of the Channel.
U "46" and U "48" put out for the operational area of the Atlantic during the night of 3 Oct.

North Sea:

U "16" starts on return passage from position Skudesnes.
U "10" and U "20" off the Orkneys.
U "18" and U "23" approaching the operational area.
U "3" and U "7" returned and entered Kiel.

War against Merchant Shipping by Submarines.

Report of the Commander of the returned submarine U "3" (Lt. j.g. Schepke) proves beyond doubt that both the Danish steamer VENDIA and the Swedish steamer GUN inexcusably made for U "3" in an attempt to ram it.

This matter is pursued by a personal report of the Commander to the Foreign Office and, on 4 Oct., leads to a protest to the Swedish and Danish Governments. At the same time a protest is made to the Swedish Government on the anti-German version in the Swedish press of incidents which have occurred recently in the course of German actions against merchant shipping. In the German view it is just these reports that create the basis for such irresponsible actions as are represented by the attempt to ram German submarines.

(For details see War Diary, Part C, Vol. VIII).

Merchant Shipping.

1. Own Shipping.

The German steamer GENERAL ARTIGAS (11,000 tons) coming from overseas **arrived** in Norway.

Eight Murmansk vessels are homeward-bound.

3 Oct. 1939

CONFIDENTIAL

2. Neutral Shipping:

Sweden:

Numerous Swedish merchantmen are being held up in Swedish ports due to intensified interference by Germany in the war against merchant shipping. The Swedish Navy plans the introduction of escort within territorial waters.

Netherlands:

The Dutch Government has lodged a protest with the British Government against mail being taken off the NIEUW AMSTERDAM and other vessels and censored.

Traffic in Rotterdam is almost at a standstill.

Belgium:

Belgian authorities are negotiating with the British Government about the purchase of German vessels lying in Belgian ports and their change of flag.

4 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff at 1100.

Special Items.

Group West transmits a report on the experiences of the forces of Commanding Admiral, West in the course of operations against merchant shipping so far in the Skagerrak and Kattegat. Such warfare was greatly hampered by weather conditions. Vessels carrying contraband which could be seized were few. In view of the demands made on the highly developed type of destroyer, Group West does not consider that the forces of the Commanding Admiral are suitable for operations against merchant shipping and suggests that fast steam trawlers and auxiliary cruisers be used for these, restricting them to the Kattegat.

(For detailed telegram see War Diary, Part B, Vol. V).

Naval Staff cannot entirely agree with the negative view taken by Group West concerning the suitability of the destroyers for operations against merchant shipping. It feels that thrusts into the Skagerrak and North Sea really hold out promising possibilities of using the destroyers for which, at present, no tasks of greater operational importance in the North Sea can be seen. They would probably be lying inactive in the river mouths and would only be used for occasional thrusts by the battleships. Such inactivity is undesirable. The uninterrupted use of some destroyers for the war against merchant shipping in the Skagerrak; short, sharp thrusts for that purpose even into the central part of the North Sea; and frequent display of the German flag in the waters of the Skagerrak, Kattegat and on the Norwegian coast are tasks which, in the opinion of Naval Staff, can be taken over by the destroyers with good prospects of success. Furthermore, the operations will - in addition to their favorable psychological effect on the crews - also result in reducing to a reasonable level the shortcomings still connected with handling the destroyers, by training the crews and breaking them in; faith in the destroyer arm will also be re-established. Independent of the operations by the destroyers, Naval Staff concurs in the view that auxiliary cruisers and patrol vessels should also be used for continuous operations against merchant shipping in the Kattegat and Skagerrak.

Group West requests the return of the 2nd PT Boat Flotilla for short, worth-while operations and the withdrawal of the PT boats from patrol activity and anti-submarine chase in the Baltic Sea.

CONFIDENTIAL

4 Oct. 1939

CONFIDENTIAL

At the present time the request is not yet granted, as the change-over of the 2nd PT Boat Flotilla to new, efficient boats has not yet been carried out and as the operational assignments will, in view of the present generally unfavorable weather conditions, remain restricted to single cases, which have not occurred as yet and for which the 1st PT Boat Flotilla now in the North Sea appears to be more suited. The permanent use of the 2nd PT Boat Flotilla for patrol assignments in the Baltic Sea entrances is not considered expedient by Naval Staff either. Relevant orders are being issued to Group Baltic.

Special Reports on the Enemy, 4 Oct.

Atlantic:

Daventry reports that the entire crew of the steamer CLEMENT captured (by the SPEE) has reached Brazilian ports; the captain and the 1st engineer, however, are said to have remained as prisoners on board the German ship.

According to radio monitoring, the cruisers EFFINGHAM and ENTERPRISE (hitherto in northern Scotland) put into Plymouth on 3 Oct.

There is a possibility that the cruisers are to be used as escorts. It may also be possible that they put in for overhaul.

The Naval Attaché in Buenos Aires reports that:

- a. the cruiser EXETER took on oil in Montevideo on 2 Oct. and put out again for an unknown destination;
- b. British merchantmen have been observed putting out of Buenos Aires in groups since 26 Sept.

The previous assumption regarding British convoys on the east coast of South America is thus confirmed.

According to a Spanish report, a convoy of four armed passenger steamers proceeding without lights left Gibraltar west-bound on 3 Oct.

4 Oct. 1939

CONFIDENTIAL

North Sea:

Complete reconnaissance over the entire North Sea area between 52° 20' N and 61° N did not establish any enemy forces.

Own Situation 4 Oct.

Atlantic:

Nothing to report.

North Sea:

Operation against merchant shipping by three destroyers (2nd Destroyer Flotilla) and three torpedo boats (5th Torpedo Boat Flotilla) in the Kattegat and Skagerrak is progressing according to plan, except for being slightly impeded by the weather.

A plane of the 2nd Squadron of the 506th Group was fired on by a Swedish destroyer 6 to 7 miles from the coast. Protest is being lodged with the Swedish Government.

Baltic Sea:

Results of War against Merchant Shipping:

5 prizes sent to Stettin
10 steamers still being searched
8 steamers released as being beyond suspicion.

Danzig Bay:

Situation unchanged.

New Units:

The 3rd and 11th Patrol Boat Flotillas and mine-exploding vessels "5" and "6" commissioned. The HANSESTADT DANZIG is ready for operations against merchant shipping after being fitted out with 8.8-cm guns.

4 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic.

Nothing to report.

U "46" returned owing to engine trouble.

U "45" put out into the operational area of the Atlantic.

U "48" approaching the operational area.

North Sea.

New dispositions for attack were assigned to U "10", U "18", U "20", U "23": central part of the North Sea between the Firth of Forth and Skudesnes. 60 to 150 miles from the British coast.

Merchant Shipping.

Own Shipping.

The German steamers **EMSRIFF** and **BRAKE** are being escorted by **Sweden** through the Aaland Sea for protection against the Polish submarine **ORZEL**.

Neutral Shipping.

About 20 large vessels are waiting in **Gooteborg** for the formation of a convoy. Rumors have it that Norwegian and Swedish warships are to escort the outgoing vessels about as far as off Stavanger where they are to be taken over by the British. Barrage measures are being carried out in the harbor of **Gooteborg**.

All the Scandinavian countries **have** decreed laws according to which no information about ships' movements, destinations, cargo, passengers, times of departure and arrival, etc. may be given.

Further complaints about the slow clearance of neutral vessels in British control ports. Searches require usually more than

4 Oct. 1939

CONFIDENTIAL

ten days. Closing down the radio and inadequate organization for supplies and equipment of crews and passengers increase the exasperation felt. At present 50 to 60 vessels are said to be lying in the Downs. The Swedish passenger steamer KUNGS HOLM with 214 passengers was detained for a week in Kirkwall. All postal parcels were opened.

Twenty-thousand cords of pit-props are said to be destined for Britain from northern Finland, shipment to be effected from Petsamo.

Considerable expansion of the British consular service, increase in personnel and establishment of new consulates is reported from Norway. The permanent British Consulate in Tromsø is headed by a Lieutenant Commander.

War against Merchant Shipping by Submarines.

The area in which permission is granted to make full use of arms against vessels proceeding without lights is extended westward as far as 15° W. (Restriction was imposed before, so as to ensure the safety of the American steamer IROQUOIS leaving Ireland. - See above -).

In agreement with the Foreign Office, the following intensification of the war against merchant shipping is ordered:

Permission is given to submarines immediately to make full use of arms against enemy merchantmen definitely seen to be armed or the armament of which has come to the knowledge of Naval Staff on the basis of definite data. After any possibilities of danger to the submarine are eliminated, measures are to be taken, as far as circumstances allow, to rescue the crew. Passenger steamers which are not troop transports are still not to be attacked, even if they should be armed. Simultaneously measures are being taken to procure definite data on the armament of enemy merchantmen.

For the situation as of 2 Oct. regarding transfer of the British Expeditionary Force see War Diary, Part B, Vol. V.

4 Oct. 1939

CONFIDENTIAL

Chamberlain's speech before the House of Commons affords only slight prospects for revision of the British point of view. (For excerpt see War Diary, Part B, Vol. V).

In the afternoon of 4 Oct. Rudolf Hess, Deputy to the Fuehrer, was, upon his request, informed by Chief, Operations Division, Naval Staff regarding the development of the naval situation to date and the assessment of the war situation by Naval Staff.

Special Reports on the Enemy 5 Oct.

Atlantic.

a. Great Britain:

The RAMILLIES was established to be at sea in the Gibraltar area on 5 Oct.

The Italian press reports from Buenos Aires that the British cruisers YORK, BERWICK, and EXETER are said to have received orders to give chase to the German pocket battleship in the South Atlantic.

b. France:

The Radio Monitoring Service reports the following:

1. Three to five submarines at sea in the area of the Atlantic Islands in the morning of 5 Oct.

Submarines of the 18th Submarine Division off St. Vincent on 4 Oct.

Patrol by submarines of the area from Finisterre southward along the west coast of Spain is thus confirmed.

2. Three submarines were detected in the area of the Canary Islands.
3. The submarine-cruiser SURCOUF was detected 120 miles southwest of Cape Verde on 5 Oct.

c. Neutrals:

In Lisbon the American cruiser TRENTON joined up with four destroyers.

North Sea:

Considerable air activity by the British. An unidentified vessel northwest of the Dogger Bank early on 5 Oct. The air

5 Oct. 1939

CONFIDENTIAL

reconnaissance of Commander in Chief, Air Force revealed in the harbor of Liverpool only four destroyers apart from freighters. One battleship and one light cruiser, being fitted-out, in the harbor of Birkenhead. In the evening two vessels were detected at sea in the area of the Orkney Islands.

The existence of a barrage at the entrance to the Firth of Forth in a northeasterly direction from Base Rock is confirmed by statements of an agent.

For a resumé of the findings of the Radio Monitoring Service concerning the activity of the main enemy forces see Radio Monitoring Report No. 5 (closed 4 Oct.), War Diary, Part B, Vol. "Radio Monitoring Reports".

Special Findings by Radio Monitoring.

Great Britain:

1. A large part of the British and French Fleets within Home Waters and in the Atlantic and Mediterranean areas is being used for convoy duties.
2. The bulk of the British Home Fleet is based still in Scapa Flow; temporary withdrawal to the west coast of Scotland.
3. Patrol of the northern and central parts of the North Sea by "Scotland Forces" (cruisers, aircraft carriers, destroyers). Patrol of the northwestern passages (Scottish Islands) by the "Northern Patrol" (cruisers, destroyers, patrol vessels, planes) and the Scapa Group.
4. Continuous patrol of the operational areas by lively air reconnaissance.
5. Anti-submarine measures close to the coast primarily by planes in co-operation with destroyers. Lately it has also been planned to send out armed merchantmen against submarines.

CONFIDENTIAL

5 Oct. 1939

CONFIDENTIAL

6. The effect of the presence of a German pocket battleship in the South Atlantic is reflected in heavy radio traffic: warning to merchant shipping; introduction of countermoves, apparently by sending out heavy cruisers.

France:

1. There are no indications of offensive **operations by the French Navy.**
2. Its task primarily consists in protecting French merchant shipping and safeguarding supplies.
3. More intensified patrol by submarines of the areas of the Atlantic coast, west coasts of Spain and Africa as far as the Atlantic Islands. Single vessels, also submarines, in the Azores-Cape Verde area.
4. Air reconnaissance especially in the Channel area.
5. Anti-submarine measures by destroyers, planes, and camouflaged steam trawlers.

Own Situation 5 Oct.

Atlantic:

The pocket battleship DEUTSCHLAND (Rear Admiral Wenneker) **reported** for the first time, stating that the British steamer STONEGATE was sunk off Florida. For four days the DEUTSCHLAND was on the West Indies route without success. Presuming diversion of merchant shipping northward, she is now transferring her operational area to the north. The report of the DEUTSCHLAND continues: "Engines ready. Diesel oil 10,959 cbm; WESTERWALD fuel oil 1,220 cbm; WESTERWALD maximum speed 18 knots."

Naval Staff presumes that the DEUTSCHLAND was in position to the north and made a thrust through to the south with the object of starting war against merchant shipping. In so doing she must have crossed the

CONFIDENTIAL

5 Oct. 1939

CONFIDENTIAL

important North Atlantic trade routes at an unfavorable time when traffic was at a low ebb. Fuel supplies on hand are, fortunately, still considerable.

The position of the DEUTSCHLAND reported as being in grid square DE 4300 is so situated regarding time and space (5 days and 2,400 miles respectively) to the last position of the GRAF SPEE that the enemy may assume both to be the same pocket battleship.

North Sea:

Operation against merchant shipping was carried out according to plan.

Results:

44 steamers searched, 4 of them seized as prizes. The steamers stopped were almost all steamers sailing in ballast. The presence of German naval forces quickly became known, so that shipping was warned to a great extent.

Air reconnaissance still reveals very brisk steamer traffic within a strip 75 miles wide between the western outlet of the Skagerrak and the Firth of Forth (83 steamers).

New Units:

The 16th Minesweeper Flotilla was commissioned.

Baltic Sea:

Western part of the Baltic Sea:

Barrage patrol off the Sound reports a further increase in steamer traffic. Slight traffic passed through the Belts.

War against merchant shipping:

6 steamers brought into Stettin as prizes; 4 steamers are still being searched; 13 steamers released after search.

Danzig Bay:

No changes.

5 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

The following submarines are approaching the operational area:

U "42" Shetlands area
U "48" central part of the North Sea
U "45" North Sea
U "37" Norderney.

On return passage: U "35" northwest of Ireland. The submarine sank the Greek steamer DIAMANTIS (4,000 tons) and **reported** landing the crew of the steamer at Ventry Harbor (Ireland).

She apparently put out to sea again immediately after disembarking the crew of the steamer. Any submarine calling at an Irish port in any case entails the risk of being interned according to the neutrality regulations of Ireland.

North Sea:

Nothing to report.

Merchant Shipping 5 Oct.

Own Shipping:

A German steamer coming from overseas returned home via Norway.

Because of the extension to 15° W of the area in which submarines may attack vessels sailing without lights, the following order was issued to ships returning from overseas:

"**Homeward-bound** vessels are to move as quickly as possible west of 15° W and are then to proceed northward, west of this longitude."

5 Oct. 1939

CONFIDENTIAL

Foreign Shipping:

According to a report of the port administration of Buenos Aires, 63 British vessels put in and 62 put out in Sept.

(Transmitted to pocket battleships).

5 Oct. p.m.

The negotiations between Estonia and Latvia and Soviet Russia are proceeding unfavorably for the Baltic States inasmuch as Russia in spite of the agreements hitherto reached (bases, harbors, airfields), demands the establishment of additional garrisons also in the interior of the countries and, therefore, far-reaching influence on national affairs. It is to be expected that the present Estonian Government will resign and that there will be a change in the Latvian and Estonian policy in the direction of a stronger leaning towards Russia.

As a result of this decisive intensification of Russian influence in the Baltic States, brought about in full agreement with the German political leaders, reports to the Foreign Office state that the attitude of the population has turned against Germany and that the situation of the Germans in the Baltic States, about 70,000 in number, is extremely precarious at present. Many of them are making preparations for a hasty departure for Germany, as they fear an unfavorable change in the affairs of state in Latvia and Estonia and as it is possible that the Governments may lose control of the situation and the communist mob, under anarchist conditions, may seize the opportunity to persecute Germans.

The Foreign Office views the developments, especially in Latvia and also in Estonia, as very serious for the fate of German nationals and those of German descent and considers immediate protection and evacuation of the Germans to be imperative (38 steamers have been made available and evacuation in two waves prepared; disembarkation at Danzig is planned).

On the basis of this assessment of the situation by the Foreign Office, Naval Staff finds itself compelled in the afternoon of 5 Oct. to order Group Baltic immediately to carry out protective and defensive duties

5 Oct. 1939

CONFIDENTIAL

in Estonian and Latvian ports. The following ships are ordered to be held in three hour readiness in Danzig Bay beginning 6 October at 0000:

For Riga: the SCHLESWIG HOLSTEIN, the EMDEN, and two minesweepers;
for Liepaja: the SCHLESIEN and two minesweepers;
for Ventspils: the BREMSE and two minesweepers;
for Parnu: three minesweepers;
for Tallin: the ADMIRAL SCHEER and two minesweepers.

(For orders of Naval Staff and Group Baltic see War Diary, Part B, Vol. V).

In the evening of 5 Oct. Chief, Naval Staff orders that the units are not to put out for the time being. The Fuehrer himself also does not yet view the situation as sufficiently serious to justify sending forces at present. The advance of naval forces into Estonian and Latvian ports is not to be made until a specific order is given by the Fuehrer.

The following are the reasons which prompted the Fuehrer as well as Chief, Naval Staff to abandon the idea of sending out naval forces for the present:

1. Reasons of a military nature:

The situation in the Baltic States is still obscure as is the attitude of the Governments and of the Latvian and Estonian armed forces. Approaching forces might meet precarious situations (fortifications, submarines). The duration of the operation and commitment off the ports cannot yet be assessed.

2. Reasons of a political nature:

No Russian comment on the German proposal to take over protective duties in the Baltic States has yet been received. It is quite possible that Russia takes the view that she wishes herself to assume the protection of German nationals

CONFIDENTIAL

5 Oct. 1939

CONFIDENTIAL

and those of German descent in the Baltic States. At the present moment, however, under no circumstances may the impression be created abroad that there are any misunderstandings between Germany and Russia.

At 1600 Conference between Chief of Staff, Naval Staff and Chief, Army General Staff on the further conduct of the war in case it must be fought to its conclusion against Great Britain:

1. Chief of Staff, Naval Staff points out that for such a war against Great Britain a lasting and probably decisive effect can only be achieved by the Navy (submarine arm) and the Air Force. To that end, however, a comprehensive submarine construction program on a very large scale would be necessary, which would require war industries to concentrate to the utmost on these tasks.

In 1939 there has been only a slight increase in the number of submarines; in 1940 there will also still be an insufficient number of new ones. It will not be until 1941 that a more extensive increase may be expected, **and everything must be done to make at least 300 submarines available by that time.**

2. Question put to Chief, Army General Staff:

Is it possible for the Army, by operations in the direction of the Channel-Normandy-Brittany, to create for the Navy a wider base from which to send out submarines?

Chief, Army General Staff expressly stated that this is beyond the powers of the Army, at least as regards the more extensive objectives, - and only these would achieve the base on the Atlantic desired by the Navy.

If such an operation were considered, its success would be extremely doubtful and its duration could not possibly be determined in advance. In addition, this operation, which would require a tremendous expenditure of material, would in turn make imperative the concentration of the entire war industry on requirements of the Army. Thus the priority for submarine construction would be rendered impossible.

5 Oct. 1939

CONFIDENTIAL

3. Chief, Army General Staff likewise gave a negative reply in respect to the establishment by Army operations of an operational base for the Navy in the central or northern part of Norway. Not only Norway, but most likely Sweden as well, would be opposed to such an operation. It would be a matter of most difficult terrain, bad communications, and tremendously long and inadequate supply lines, to some extent by sea. Demands similar to those specified under 2 would arise with regard to supplies of material and the concentration of industry on Army requirements.
4. Any offense by the Army in the west - even by violating Belgian or Dutch territories - would require a concentration of war industry on Army needs which would, in the opinion of Chief, Army General Staff, exclude the fulfilment of major demands by the Navy. Besides, the depth to which such an offensive thrust might penetrate could not be estimated. It is doubtful whether the coast would be reached at all.
5. The extension of the base in the direction of Jutland as far as Skagen is a less difficult issue and could be promised.

(In connection herewith it must be mentioned **that while this would** afford a certain operational advantage to the Navy - easier control of Scandinavian shipping, closer proximity to the line Shetland Islands - Norway, and better control of the Skagerrak -Kattegat -; it appears doubtful, at present, whether this would outweigh the political and economic disadvantages.)

6. The Army will not be in a position to launch a major offensive in the west until it has moved its forces and replenished supplies. The transfers of personnel will not be concluded before early November. The replenishment of material (tanks, motorized units) would not be concluded before the end of December or the beginning of January. Should earlier offensive be ordered, a pronounced restriction of strength and thus also of the effect of the thrust would have to be anticipated.

CONFIDENTIAL

6 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff at 1100.

Special Items.

1. Negotiations between the Baltic States and Russia are proceeding satisfactorily. The development of political conditions within the countries and the situation of German nationals and those of German descent is judged by the Foreign Office as much more settled compared with 5 Oct. Naval Staff has the impression that the Foreign Office, through its representatives abroad, received too unfavorable and serious a picture of the actual situation in the Baltic countries and regards yesterday's demands by the Foreign Office for immediate dispatch of naval forces as too **far-reaching**. Forces will, for the present, remain assembled in ports of Danzig Bay. Chief, Naval Staff points out that, at the request of the Foreign Office alone, no naval measures whatever of a political consequence must be taken as long as the Fuehrer has not given his express approval of them.

2. It must be assumed that the operational areas of the pocket battleships are known to the enemy now that British steamers were sunk by both ships. Countermeasures have already been adopted, according to various reports from abroad. Sending out of British battle cruisers in search of the pocket battleships must also be expected. Chief, Naval Staff, therefore, attaches great importance at the moment to increased activity by our naval forces in the North Sea so as to achieve, by way of diversion, a tying-down of the heavy British forces, in particular the fast battle cruisers. The enemy's realization alone that there is a possibility of further very heavy raiders (the SCHEER, the SCHARNHORST, the GNEISENAU and the HIPPER) breaking through the northern part of the North Sea into the Atlantic will result in the British battle cruisers being forced to remain in Home Waters and will thus entail a relief for the operational possibilities of the pocket battleships.

Group West, therefore, receives the following instructions:

- "a. **Since** the two battleships have carried out their first actions it must be expected that the enemy is of their operational areas. News has been received concerning the sending out of forces in search of the pocket battleships; heavy cruisers are so far involved.

6 Oct. 1939

CONFIDENTIAL

- b. To relieve the pocket battleships and tie down enemy battle cruisers it would be particularly desirable now for the GNEISENAU to increase her activity to the north. The enemy should be given the impression of an intended break-through or a reconnaissance thrust."

3. Chief, Naval Staff considers it necessary for the pocket battleships to be informed about the possibilities of supplies in foreign ports and those of fitting-out and diversion to ports of friendly neutrals, so as to give the pocket battleships an opportunity of bringing their operational plans into alignment with these far in advance. Naval Staff is fully aware that a final settlement of the question of overhaul and fitting-out of a lengthy duration in Japanese and Russian ports has not yet been achieved, but believes that the present state of negotiations does not lead to a fundamental change in the situation being expected. It therefore sanctions instructions to the pocket battleships as follows:

Radiograms 1958/6, 1936/6, 1736/6.

"Possibilities for supplies are assured in respect to gas, lubricating oil, and stores from northern Spain as of now, from the east coast of Mexico from the middle of October, from the Canary Islands as or now, except lubricating oil. An attempt is being made to supply carbonic acid and arctic oil from Mexico. These possibilities may be exploited on request by the pocket battleship to Naval Staff.

Further possibilities for supplies from the east and west of South America, the west of Mexico, Japan, Sumatra, Murmansk and Vladivostok are being prepared. Additional instructions will follow.

In case of need a call at Murmansk and Vladivostok of several days is possible. The possibility of fitting-out and the question of engine overhaul will be settled. It is hoped that similar concessions will be made by Japan."

6 Oct. 1939

CONFIDENTIAL

Report to Commander in Chief, Navy on the question of concentrating raw material assignments on tasks to be achieved by the Navy in the future: (For directive of Armed Forces High Command dated 4 Oct. see War Diary, Part B, Vol. V).

The Navy was allotted for the last quarter of 1939 by Armed Forces High Command, War Economy Division:

125,000 tons steel quota per month.

Chief, War Economy Division (in the presence of Chief of Staff, Naval Staff, Chiefs, Service Division, General Naval Bureau, Naval Ordnance Division and Naval (Ship) Construction Division) **explained that the** allotted quantity of 125,000 tons is actually 20,000 tons below the requirements specified for the mobilization construction program, but that the tasks hitherto planned can, nevertheless, probably be achieved with the allotted quota, making corresponding reductions that appear possible in certain allocations (for harbor construction etc.). The question of precious metals, however, will become very difficult from March 1940 on. The question of labor likewise already calls for an immediate solution. Delays in the construction of battleships, heavy cruisers, and destroyers are now already inevitable.

Commander in Chief, Navy requests that data be submitted on which to base demands for carrying out the large-scale submarine program, for the purpose of reporting to the Fuehrer.

Special Reports on the Enemy 6 Oct.

Atlantic.

Great Britain:

A PT boat flotilla consisting of 12 ~~ships~~ is being established in Gibraltar for anti-submarine combat, according to radio monitoring.

The British mailboat LOCHGOIL (9,000 tons) is said to have struck a mine and sunk off the Bristol Channel on 6 Oct.

CONFIDENTIAL

6 Oct. 1939

CONFIDENTIAL

It may be assumed that it was a mine laid in the Bristol Channel by submarine U"32".

A convoy of 13 steamers put into Gibraltar at 0900 on 5 Oct.

France:

The Radio Monitoring Service reports: A French vessel (submarine) will arrive off Cape Ortegal at 0600 on 11 Oct. to relieve the submarine PASTEUR on patrol duty there.

The 2nd Destroyer Division will be off Brest at 0130 on 7 Oct. to pick up a convoy putting out from Brest.

Neutrals:

Six destroyer divisions and one minesweeping division were commissioned by the U.S.A. for the protection of neutrality along the Atlantic coast and in the Caribbean Sea.

North Sea:

The radio traffic intercepted on 5 Oct. between British vessels at sea and the radio guardship in Scapa Flow is attributable to a plane crash north of the Shetland Islands.

In the Folkestone area three small steamers have been engaged since 4 Oct. on a special task, the nature of which cannot be recognized from radio monitoring. Minelaying may be involved, perhaps also submarine-chase. Reuter describes, in connection with the operation of the British Home Fleet on 26 Sept., the escape of a British submarine located with "electric rays" in the North Sea and heavily damaged by depths charges.

Own Situation 6 Oct.

Atlantic:

Nothing to report.

North Sea:

The operation against merchant shipping in the Kattegat was

6 Oct. 1939

CONFIDENTIAL

completed in the morning of 6 Oct. After the presence of German forces became known, neutral shipping to a large extent sought territorial waters.

Baltic Sea:

Western Part of the Baltic Sea:

A boat of the Training Flotilla of Commanding Admiral, Defenses, Baltic stopped an Estonian steamer within Swedish territorial waters. Following interference by a Swedish guard boat the steamer was released. Investigation of the incident is under way.

Central Part of the Baltic Sea:

The route from Stolpmuende to Pillau was checked and found to be free of mines.

Danzig Bay:

The forces assigned for protective measures in Estonian and Latvian ports have assembled in ports of Danzig Bay (Gdynia, Neufahrwasser, Pillau). The western part of Danzig Bay is reported to be free of mines.

Submarine Situation 6 Oct.

Atlantic:

No changes.

North Sea:

No changes.

Merchant Shipping.

6 Oct. 1939

CONFIDENTIAL

1. Own Shipping.

Two vessels returned home from Murmansk.

Two vessels, the whereabouts of which had so far been unknown, arrived in South American ports.

Because of the risk of code "H" being revealed, the vessels coming from Norway will no longer be recalled by radio, but have received orders to report to the German Consulate at Bergen. They will receive orders there. As soon as the new Consulate at Haugesund is open the vessels will receive instructions there. The newly-appointed consuls for Haugesund and Narvik are leaving today.

2. Neutral Shipping.

It is reported from New York that the American Ambassador in London has issued a general warning to Americans not to book passage to America on board British armed vessels. He recommended passage on board American unarmed steamers, drawing attention to the risk of the armed vessels being sunk without warning.

According to a report from Ireland, the United States Lines plan to call at Cork in Ireland as the final European port for their passenger service. Southampton and Le Havre are no longer to be called at.

Ocean-going steamer traffic in the port of Antwerp has suffered a serious setback as a result of the international situation. While on the average 1,000 **ocean-going** vessels called at Antwerp every month before the beginning of the war, only 240 steamers (mainly small liners) arrived in the period from 3 to 29 Sept.

At 2100 Radiograms 1704/6, 1749/6.

Pocket battleships receive, in addition to zone charts, data on war pistol Pi G 7a.

The Groups and Commanding Admiral, Submarines receive instructions to report immediately, if possible, all incidents occurring

6 Oct. 1939

CONFIDENTIAL

in the course of naval warfare, particularly of operations against merchant shipping, so as to render possible a quick follow-up along political and propaganda lines. Statements by witnesses are to be recorded in writing and neutral witnesses also possibly brought along.

CONFIDENTIAL

On 6 Oct. Speech by the Fuehrer before the Reichstag.
Proposal for the restoration of peace and the
re-organization of political order in Central
Europe.

The situation in the Baltic States has calmed down considerably. They feel that they will be able to maintain their independence and previous social structure. The treaty between Soviet Russia and Latvia provides for the establishment of Russian naval bases in Liepaja and Ventspils and for the maintenance of airfields in Latvia. The evacuation of German nationals and those of German descent is to take place within a general exchange of minorities. The sending of naval forces will probably no longer be necessary. Decision on this point to be reached on 9 Oct.

7 Oct. 1939

Conference on the Situation with Chief, Naval Staff at 1100.

I. Chief, Naval Staff orders speedy and increased use of small submarines for minelaying operations along the east and west coasts of England. News so far received indicates that Great Britain has not yet applied any adequate defense measures against the mines to be used, so that great successes may at present be expected from increased use of mines.

II. Chief, Naval Staff approves the arrangement reached with Denmark concerning continued Danish exports of foodstuffs to Britain, subject to cancellation at any time. The Danes ask for **two weeks** grace in case notice is planned by Germany so that Danish shipping may be disposed accordingly. A definite promise of this cannot be made. The date when this agreement will become effective is probably 11 Oct. Cargoes of vessels seized so far cannot be released. Vessels carrying foodstuffs are to bear special markings.

Conference on the ship construction program and the extended submarine construction program (in the presence of Chiefs, Service Division, Naval Ordnance Division, Naval (Ship) Construction Division, War Economy Division and others):

a. Of the heavy ships under construction, the BISMARCK and the PRINZ EUGEN are to be given priority;

7 Oct. 1939

CONFIDENTIAL

- b. The minesweeper program, when started, provides for four **ships** monthly;
- c. Destroyers to be completed
 - in 1940 4 large destroyers with 15-cm guns
 - in 1941 4 to 6 large destroyers with 15-cm guns.

From the end of 1941 on (15 Oct. 1941) the following vessels can be constructed:

- either 1. two large torpedo boats monthly (escort destroyers), 1,400 tons, four 10.5-cm guns, two triple tubes, 35 knots;
- or: 2. one large torpedo boat and 1/2 destroyer monthly, i.e. twelve torpedo boats and six destroyers (15-cm guns) per year.

Commander in Chief, Navy decides in favor of the latter possibility.

- d. Torpedo boats. In addition to the large torpedo boats, the 18 small boats projected are to be completed, i.e. six boats in 1939 and twelve boats in 1940.
- e. The small-scale submarine construction program, once in full swing, can ensure up to 20 submarines per month with present technical capacity and if the labor problem is solved; the latter is most imperative. If the steel quota for the Navy is raised, the large-scale submarine construction program is to be put into operation, i.e. the construction of approximately 28 to 30 boats monthly commencing 1942. The Fuehrer's decision will be secured by Commander in Chief, Navy.

For detailed figures of the large-scale submarine construction program see War Diary, Part B, Vol. IV.

Commander in Chief, Navy orders an immediate and thorough check of the entire construction program in co-operation with industry, for the purpose of determining existing bottlenecks. After this a conference with industrialists is to take place with the object of a further increase in efficiency.

7 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 7 Oct.

Atlantic.

Great Britain:

According to radio monitoring, a British convoy of four steamers was off the Cape Verde Islands at 1000 on 5 Oct. The report originated from the French cruiser DUGUAY TROUIN which was in the vicinity to the northwest on the same day.

The convoy reported is most likely coming from the west, i.e. from South America or the West Indies. It is probable that the South America and West Indies route has been shifted south to the narrowest point of the Atlantic, so as to increase substantially the chances for protecting merchant traffic. Enemy reports from the eastern sector of this area so far indicate only the commitment of cruisers and submarines.

France:

The aircraft carrier BEARN at sea in the Brest area on 7 Oct. In the evening of 7 Oct. the submarine-cruiser SURCOUF was located 600 miles southwest of the Cape Verde Islands. A convoy of several large vessels is to pass St. Vincent on 9 Oct. On 10 Oct. this convoy is to be 90 miles off Casablanca.

North Sea.

Today's exhaustive reconnaissance over the North Sea establishes four British destroyers sailing in line abreast along the Norwegian coast in the vicinity of Sogne Fjord, in addition to two British minesweepers in Swarte Bank area (60 miles east of the Wash), which were unsuccessfully attacked with bombs, and two pilot vessels east of the Wash. Armed steam trawlers were sighted 40 to 60 miles east of the English coast (armament consisted of machine guns).

CONFIDENTIAL

7 Oct. 1939

CONFIDENTIAL

Own Situation 7 Oct.

Atlantic:

Nothing to report.

North Sea:

Nothing to report.

Baltic Sea:

On 7 Oct. the GRILLE, the minelayers KOENIGIN LUISE, and HANSESTADT DANZIG as well as the RUGARD and the 13th Patrol Boat Flotilla commenced a new operation against merchant shipping in the central and eastern parts of the Baltic Sea and the southern Kattegat. Support by naval air forces.

Submarine Situation.

Atlantic:

U "35" on return passage;
U "42", U "48", U "37" and U "45" approaching their operational area;
U "46" put out into the Atlantic.

North Sea:

U "15" on return passage from the Channel;
U "10", U "18", U "20" and U "23" at North Sea positions;
U "12" in the Channel.

Merchant Shipping.

One steamer coming from overseas put into Bergen.
There is now a total of 511 vessels, i.e. 60 % of German

CONFIDENTIAL

7 Oct. 1939

CONFIDENTIAL

merchant shipping, in **home waters**, and 308 vessels equivalent to 36 % still in neutral ports.

The Naval Attaché in Helsinki reports that the press has received news from Tokyo which reveals that military circles in Japan are of opinion that Great Britain will withdraw all her naval forces from Chinese waters.

The pocket battleships **were** informed by radiogram that in the case of British and French convoys and vital transports carried by single vessels, escort by enemy submarines must be assumed.

The German Ambassador in Moscow reports that Foreign Minister Molotov has stated, regarding the possibility of repairs for German vessels and submarines, that Murmansk is not sufficiently isolated for this purpose. The Soviet Government regards as suitable the port of Teribersk which is situated further east near to Murmansk, is more isolated and not called at by foreign vessels. Details regarding its use, the transport of war equipment there, etc. can be discussed with **Mikoyen**, the Soviet Minister for Foreign Trade.

According to data available to Naval Staff (manual for sailing vessels) the fishing port of Teribersk, which is completely open to the northwest, is considered unsuitable for the purpose in mind (a port of call for pocket battleships, auxiliary cruisers, submarines, for overhaul and repairs) in view of the lack of dockyard and repair facilities. More specific data concerning the port by way of the new Russian Naval Attaché in Berlin must be awaited.

8 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 8 Oct.

Atlantic.

Great Britain:

The convoy system from Canada to **the British Isles is to be** further developed according to a report from the German Embassy in Washington. The first convoy of 15 steamers carrying grain is said to have reached **Britain.**

The battleship RAMILLIES is in the Malta area, presumably following convoy escort duties.

The aircraft carrier HERMES is in the western part of the Channel.

France:

The submarine-cruiser SURCOUF (see 7 Oct.) is due to arrive at Dakar on 11 Oct.

According to the Naval Attaché, the press is reporting on a French convoy leaving Rio on 8 Oct. for France; escort by British light cruisers as far as the Equator, from there by French and British warships.

North Sea:

Reports on the enemy are almost exclusively based on findings by the Radio Monitoring Service and are connected with the thrust by our own forces as far as off Utsire.

Morning of 8 Oct: Radio monitoring report that the 2nd Cruiser Squadron, destroyers, and Commanding Admiral, Battle-Cruiser Squadron are at sea. Further data establishes Commanding Admiral, Battle-Cruiser Squadron in the immediate area of Scapa, the 2nd Cruiser Squadron and the 7th Destroyer Flotilla in the Rosyth area. Our air reconnaissance over the North Sea as far as 61° N **did not** sight the enemy. Urgent British radio traffic (bearing the designation "o/u", i.e. "operation/urgently", corresponding to our own "Kr") indicates that the enemy is aware of operations by German forces and is issuing orders to

8 Oct. 1939

CONFIDENTIAL

his forces at sea. According to radio monitoring, enemy reconnaissance planes **contacted the GNEISENAU force at 1243** (the radio messages from British planes show differences in position of approximately 25 to 50 miles). After previous inaccurate reports a correction ~~was~~ transmitted by radio at 1455 giving the GNEISENAU unit accurately: "one battleship, one cruiser, four destroyers". The British planes **lost** contact at 1547. Radio monitoring reports in the course of the evening that Commanding Admiral, Home Fleet and Commanding Admiral, Battle-Cruiser Squadron are not in Scapa. Four submarines (positions probably in the Skagerrak) **received an urgent** order from the Admiralty.

Own Situation 8 Oct.

North Sea:

In the evening of 7 Oct. start of operation by Commanding Admiral, West with the GNEISENAU, the KOELN, and nine destroyers from the Heligoland Bight in a direction north-northwest as far as off Utsire (see also 2 Oct.).

Operational objectives:

1. To supplement the war against merchant shipping in the Skagerrak by a thrust into an area where enemy escort activities may perhaps be expected.
2. To relieve our Atlantic forces inasmuch as the enemy is led to believe that a break-through is being attempted, thus preventing him from sending out his battle cruisers into the Atlantic.
3. To lure British forces from their bases, thus giving our Air Force and submarines in the North Sea the opportunity for attacking.

The operation has so far gone according to plan. The GNEISENAU unit turned about off Utsire at 1900 for passage through the Skagerrak and Kattegat into the Baltic Sea.

8 Oct. 1939

CONFIDENTIAL

Air reconnaissance on 8 Oct. did not result in any reports on the enemy, apart from brief engagements with enemy reconnaissance planes and a report of some patrol vessels east of the coast of Scotland.

Baltic Sea:

War against merchant shipping in the central and eastern parts of the Baltic Sea has led so far to the seizure of 8 steamers and 1 sailing vessel for search.

Barrage Patrols:

Little Belt by the 11th Motor Minesweeper Flotilla
Great Belt by the 15th Minesweeper Flotilla
Sound by the 3rd Patrol Boat Flotilla.

Danzig Bay:

According to latest data, the loss of the minesweeper M "85" is not to be attributed to a torpedo hit but to a mine. The point where she sank lies in the area which, according to Polish statements, is mined.

An unconfirmed Swedish report states that the Polish submarine ORZEL has broken through to **England**.

If this report were true it would be particularly regrettable, inasmuch as it would prove that our patrol of the Sound and the Belts is not at all complete and would reveal to the British that it is possible for submarines to penetrate into the Baltic Sea without great difficulties.

Submarine Situation.

Atlantic:

Five submarines approaching their operational area. U "35" on return passage.

CONFIDENTIAL

8 Oct. 1939

CONFIDENTIAL

North Sea:

U "47" put out into the operational area.

U "15" returned from the English Channel. The submarine brought back valuable observations on the buoys and lights along the eastern Channel coasts and in the Strait of Dover.

Merchant Shipping 8 Oct.

Neutral Shipping:

According to a report from the captain of a steamer, a Danish pilot boat, which is offering its services for piloting vessels through the Tolkedyl Channel (between Falster and Moen), has of late been lying in Smaaland Channel at the entrance to the Groem Sound. The channel is five meters deep.

Many tramp steamers are now plying between Latvia and Sweden carrying goods which were so far not exported by Lithuania or Latvia to Sweden at all or only in small quantities (butter, bacon, meat, tinned goods, flax).

It is definitely assumed that these goods are destined for Britain. It is absolutely necessary to intercept these vessels off the Latvian ports and to bring them in for confiscation of their valuable cargo. (Relevant instructions are issued to Group Baltic).

In order to complete the list of "suspicious ship-owners and companies" the Groups are instructed to ascertain the required data concerning all neutral steamers which are stopped.

It has been noticed that vessels of neutral Baltic States bound for Dutch and Belgian ports do not take the nearest and, from a navigational standpoint, more favorable and shortest route via the Kiel Canal and the southern part of the North Sea, but that through the Sound, Skagerrak and the full length of the North Sea. The Foreign Office has, therefore, been requested to point out to the States in question that the vessels thereby expose themselves to suspicion of sailing for the enemy and therefore in future must be brought into German ports to be searched. The Groups have been instructed accordingly.

8 Oct. 1939

CONFIDENTIAL

The Naval Attaché in Moscow draws attention to the northern route and the possibility of transferring German vessels in the Far East to Murmansk and, thereby, to **home waters**. This would apply to approximately 35 vessels from the Far East and the Dutch East Indies in July and August 1940.

Concerning the request by Group West for the assignment of the 2nd PT Boat Flotilla (see 4 Oct.) the following order is issued to the Groups and to Commanding Admiral, West:

- "1. The nature of the PT boats makes them suitable for short operations with a specific objective.
2. Their use for short thrusts into the Kattegat for the protection of merchant ships and submarine-chase at present promises success and is desirable, as there is a lack of other forces for permanent use in this area until such time as auxiliary units are ready for operation.
3. The assignment of the 2nd PT Boat Flotilla to Group Baltic will remain in effect for the time being."

Torpedo boat T "8" was commissioned on 8 Oct.

In accordance with the considerations of 5 Oct. (see above), the following radiogram is transmitted to the pocket battleships:

Radiogram 1512/8:

The reported positions of the SPEE on 30 Sept. and of the DEUTSCHLAND on 5 Oct. may give the enemy the impression of only one pocket battleship being in the Atlantic, which is moving at high speed from the South Atlantic homeward-bound.

For survey of the supplementary agreement with Rumania concerning economic warfare see War Diary, Part B, Vol. V.

CONFIDENTIAL

9 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff at 1100.

Special Items.

1. Chief, Naval Staff orders, in view of the fact that the situation in the Baltic States has calmed down, that the readiness of forces to be sent to the Baltic States be cancelled immediately.
2. The effect of our submarine-laid mines up to now which, according to foreign news and radio monitoring reports has been entirely satisfactory, prompts Chief, Naval Staff to issue a further order for speedy and increased laying of mines along the east and west coasts of England. The best use must be made with all available means of this period, during which the enemy apparently cannot yet apply any adequate minesweeping measures against the German mines.
3. The comparatively heavy losses in long-range reconnaissance planes type Do 18 suffered so far are of particular concern to Naval Staff. Ways and means will have to be found for effectively increasing the working safety of this long-range reconnaissance plane which is the only one available at present. Apart from this, the construction of replacements must be expedited with all available means.
4. Chief, Naval Staff orders an investigation of the question of using our small cruisers, which are no longer suitable for action in the North Sea against Britain. Only really strong, modern vessels are to be employed for the battle against **Britain**. However, it is useless to leave these cruisers lying around in the river mouths. Chief, Naval Staff wishes them to have definite objectives for their future commitment as, for instance, minelaying operations in the Heligoland Bight and in the declared area, war against merchant shipping in the Baltic Sea, training assignments for replacement personnel of the heavy cruisers.
5. Since no answer concerning the change in recognition of Swedish territorial waters from four to three miles has yet been received from the Foreign Office, its attention is once more drawn to the necessity of this matter being settled quickly in the interest of more effective warfare against merchant shipping. Chief, Naval Staff has no objections to anti-submarine barrages being laid also within Danish and Swedish territorial waters. The matter is to be gone into as quickly as possible.

CONFIDENTIAL

9 Oct. 1939

CONFIDENTIAL

Political Situation.

For the resumé of foreign commentaries on the speech by the Fuehrer and of political events see "Foreign Press No.462" and "Political **Review**".

According to reliable reports, Russia intends to demand Hangoe and the Aaland Islands in the course of the negotiations about to start with Finland. Finland, apparently, is not prepared to accede to such a demand but intends to oppose it strongly. On the other hand, the cession of smaller Finnish islands in the Gulf of Finland would not imply any great difficulties.

In a letter to the Foreign Office, emphasis is put on the necessity of adding to the military measures for impeding trade with Britain also economic and political ones, in order to check supplies. The following are of primary importance:

1. Co-ordinating into our economic system, more or less by force, the neutrals within our sphere of influence so as to deprive them of the possibility of any trade worth mentioning with Britain.
2. Influencing neutral nations friendly to us to cease trading with enemy countries, which includes placing their shipping at the disposal of those countries. (In Russia, for instance, considerations are in progress to intensify the export of lumber to Britain. Cessation of lumber imports, on the other hand, would have catastrophic effects on the British war economy.)

The previous order to German forces not to seize Italian, Spanish, Russian, and Japanese vessels can remain effective only as long as these powers do not lend a deaf ear to our requests.

Special Reports on the Enemy 9 Oct.

For survey of the British and French minefields ascertained by the

CONFIDENTIAL

9 Oct. 1939

CONFIDENTIAL

Intelligence Service see Radio Monitoring Report No.3 and Special Radio Monitoring Report.

Atlantic.

Great Britain:

An agent reports from Buenos Aires that British merchantmen have been repainted and equipped with guns.

The entrance to the harbor of Gibraltar is closed by one minefield each in the west, south, and east, according to reliable information received from the Spanish Navy. There are listening points at the outer edge of the mole and the southern edge of Rosia Bay and non-contact mines in the channel between the western minefield and Europa Point.

A report from the German Embassy in Washington again confirms that British vessels are being formed into convoys at an assembly point on the Canadian coast. Montreal will be the main port for the shipment of grain from Canada and the United States.

France:

Radio monitoring intercepts vessels of the 5th Squadron (PARIS class) in the St. Vincent-Casablanca area.

North Sea.

The Radio Monitoring Service **established** the following to be out in the North Sea:

the 2nd British Battleship Squadron,
the 2nd Cruiser Squadron and
destroyers of the 6th and 7th Destroyer Flotillas.

The whereabouts of the battle cruisers is not known.

Morning reconnaissance by the Naval Air Force and the 10th Air Corps (Major General Geisler) into the area of the Shetland Islands - Norway **established** in the course of the forenoon three enemy groups each consisting of three cruisers and two destroyers off Skudesnes Fjord 10 to 130 miles from the Norwegian coast. The first

9 Oct. 1939

CONFIDENTIAL

reconnaissance report was made at 0814. From 0900 to 1030 the first bomber forces of the 10th Air Corps took off.

For the greater part there was no contact with the enemy because of poor weather conditions and differences in fixes.

Single attacks were unsuccessful.

From 1130 to 1230 the second wave of bombers took off.

Successful attacks on enemy groups at various intervals between 1300 and 1640. Several hits were observed. One flight of the 3rd Group of the 1st Training Wing advanced as far as 135 miles north of Utsire, approximately as far as off Sogne Fjord (i.e. roughly 450 miles from the base of Westerland) and encountered an enemy group of three battle-ships, one cruiser, and several destroyers. Altitude for attack 4,000 m. No hit.

Results:

The following participated in the operation:

26th Bomber Wing with 1st Group + leading flight
2nd Group + 4 reconnaissance planes
(He 111)

30th Bomber Wing with 1st Group (Ju 88)

1st Training Wing with 2nd Group
3rd Group

altogether: 127 He 111's and 21 Ju 88's.

Hits:

According to reports from the 10th Air Corps, eight hits were scored on the cruisers in spite of most difficult navigational and offensive conditions, viz.:

6 x 250 kg.
2 x 50 kg.

Two additional hits by 250 kg. bombs appear doubtful. One of the cruisers was sighted on fire after the attack, according to a reliable report.

9 Oct. 1939

CONFIDENTIAL

Own Losses:

1 Ju 88 over the sea with crew
3 He 111 two of them, crew not lost
1 He 59 with crew
1 Do 18 crew not lost.

(For detailed action report see War Diary, Part C, Vol.V).

The operation of our battleship northward became known to the enemy somehow (not by radio monitoring) at a very early stage; he in turn sent out his forces immediately and ordered his battle cruisers or battleships to put out from Scapa for a thrust north-northeast so as to prevent German vessels from leaving for the Atlantic and to block the route south for the returning light forces. Only one cruiser group is possibly involved in the case of the enemy forces detected by our air reconnaissance and bomber forces on the south coast of Norway. In view of the big differences in fixes by the planes, the impression arose of three different groups.

Apart from the immediate results of the bombing attacks, great strategic and operational importance is to be attached to the appearance of German operational air forces in the area of the northern part of the North Sea at such a long distance from their home bases. The fact that the enemy has become aware of the complete control of the entire North Sea area by the German Air Force will not be without a decisive effect on his considerations regarding operations in German coastal waters. In this way, he has been clearly shown for the first time the long range of German bomber forces and the danger to his bases and ports on the east and west coasts.

Own Situation 9 Oct.

Atlantic:

Nothing to report.

North Sea:

The return passage of the unit of Commanding Admiral, West

CONFIDENTIAL

9 Oct. 1939

CONFIDENTIAL

is no longer influenced by the appearance of enemy forces in the North Sea; the unit will enter the Baltic Sea bases at about 2300.

The operation proceeded outwardly according to plan. It was known to the enemy from 0730 on 8 Oct. and as a result of air reconnaissance from 1240. The operation was continued so as to achieve its objective (tying down enemy forces and luring the enemy from his bases for attacks by submarines and from the air). There were no enemy air attacks; the shadowers were repulsed by gunfire.

Baltic Sea:

Since the situation in the Baltic States has calmed down and the danger to Baltic Germans has decreased, there will be no need for naval forces to cover the evacuation of German repatriates.

The state of readiness of the units provided for this emergency is cancelled. The pocket battleship SCHEER will be assigned to Commanding Admiral, West, the EMDEN to Group West, the SCHLESSEN and the SCHLESWIG-HOLSTEIN to the Naval Training Inspectorate. The Minelaying Experimental Command Unit will be reassigned to the Minelaying Experimental Command as of 11 Oct.

War against Merchant Shipping.

With the assistance of the Naval Air Force 31 steamers were stopped and searched and six of them brought into Swinemuende. The forces involved in the operations against merchant shipping are on return passage.

Danzig Bay:

Minesweeping is being continued.

CONFIDENTIAL

9 Oct. 1939

CONFIDENTIAL

Submarine Situation.

No changes.

Merchant Shipping.

Own Shipping:

The following vessels returned home from overseas:

- 1 steamer coming from Canada via Narvik, carrying ore;
- 2 steamers from overseas put into Norwegian ports.

Foreign Shipping:

The German Consulate in Trondheim reports that a convoy for Britain was being formed in the evening of 9 Oct. near the island of Froeya off Trondheim Fjord.

1700

Radiogram 1553/9 to Atlantic pocket battleships:

"As the British have so far not confiscated German export goods on neutral vessels, we, on our part, will not interfere with enemy export goods on neutral vessels destined for neutral countries."

On the basis of data so far concerning convoys in the Atlantic, the pocket battleships are informed as follows:

Radiogram 1632/9:

"Impressions gained so far on convoys in the Atlantic:

1. Along the east coast of South America;
2. between Canada and **the British Isles**;
3. from South America in the direction of Cape Verde;
4. from the West Indies apparently along the American coast to Canada or to Cape Verde far south of the peace-time route."

10 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 10 Oct.

Atlantic.

Great Britain:

An American patrol **ship** observed a submarine and two tankers (not American) 20 miles east of Key West, according to a report from New York.

This report confirms the assumption already existing of British submarines being used for convoy escort.

According to a reliable report from Havana, Kingston is the principal point of assembly for British convoys. On 6 Oct. 40 British vessels put out from Kingston bound for Britain. The escort consisted of one cruiser which en route is to be relieved by several warships.

(This report is transmitted to the pocket battleships).

Radio monitoring reveals that the cruiser ACHILLES (at present on the west coast of South America) is to be transferred to the east coast at the end of this month.

A captain of a steamer **reported** on 9 Oct. five freighters and three cruisers between Teneriffe and Cadiz.

France:

Commanding Admiral, Atlantic Fleet was established to be at sea in the Lorient area on 10 Oct. According to radio monitoring, battleships brought in an important convoy.

This report confirms the assumption so far existing that the French heavy vessels are being used for escort duty in the area of Brest -- west coast of Spain.

North Sea:

Nothing is known of the whereabouts of the forces detected in the North Sea on 9 Oct. Radio Daventry **repeated** that no hits were scored by the German planes.

10 Oct. 1939

CONFIDENTIAL

Political Situation.

See Political **Review** No.36, particularly in respect to the attitude of the northern countries.

Daladier's speech on 10 Oct.: No new points. General rejection of the Fuehrer's speech. (For excerpt see Part B, Vol.V).

Military Situation 10 Oct.

Atlantic:

Radio Message from the GRAF SPEE:

"Six days grid square FN. Seized the HUNTSMAN, sank the NEWTON BEACH and the ASHLEA. Crew taken on. Represented with Marconi transmitter according to British procedure as pocket battleship with submarine. Proceeding to the ALTMARK."

It is now clear that the GRAF SPEE, as expected, is again moving away from her operational area on the west coast of Africa, following her first appearance, and is now about 400 miles north of St.Helena. It is assumed that the GRAF SPEE was reported by radio by one of the steamers seized, so that she herself had no hesitation in making use of her radio. The steamers sunk by her are of the following tonnage:

The HUNTSMAN	8,196 GRT
the NEWTON BEACH	4,651 GRT
the ASHLEA	<u>4,222 GRT</u>
	<u>17,069 GRT</u>

North Sea:

Nothing to report. Minesweeping forces homeward-bound south of the declared area were reported by enemy air reconnaissance as "six destroyers, course 80°, speed 30 knots".

10 Oct. 1939

CONFIDENTIAL

Baltic Sea:

War against Merchant Shipping:

Operation completed. 13 steamers and 1 motor sailing vessel brought into Swinemuende; 9 steamers brought into Kiel.

Danzig Bay:

No minesweeping because of the weather. The SCHLESIEN and the SCHLESWIG-HOLSTEIN are en route to Swinemuende.

The evacuation of German nationals from the Baltic States is to commence on 14 Oct. There are 46 transports ready in the ports of the Baltic States as well as in Memel, Danzig, Stettin, and Sassnitz for this purpose.

Submarine Situation.

Atlantic:

U "40" put out into the operational area of the Atlantic.
U "42" southwest of Ireland.
U "48", U "37", U "45", U "46" and U "40" approaching their operational areas.

North Sea:

No changes.
U "47" approaching the Scapa operational area.

War against Merchant Shipping.

Special Items:

As a result of negotiations with Denmark, the Groups and Commanding Admiral, Submarines receive instructions no longer

10 Oct. 1939

CONFIDENTIAL

to stop Danish steamers carrying foodstuffs to **Britain** which are specially marked (white Maltese cross on black ground).

Merchant Shipping:

Own Shipping:

Two steamers, one of them the MONTE PASQUOAL (1,3870 tons), coming from overseas broke through to Norway.

According to a telegram from our representative in Rio de Janeiro, the Brazilian authorities no longer permit fuel and cargo to pass from ship to ship so that further vessels may be made ready for the break-through to home waters. The German Government is of opinion that in this way attempts are being made to enforce the sale of the vessels.

The Naval Attaché in Tokyo reports on a decree issued by the Japanese Foreign Office, according to which German vessels are not to depart without previously notifying the Foreign Office. This is allegedly for the purpose of avoiding any frictions between shipper, owner, and consignee of the cargoes on the one hand and the shipping agency on the other.

The pocket battleships **are sent** the following information: "Vladivostok ice-bound from middle of December until middle of April. Shipping can be maintained by use of ice-breakers."

At 1700 Report of Chief, Naval Staff to the Fuehrer and Supreme Commander:

1. Chief, Naval Staff submits to the Fuehrer a survey of the situation in the Baltic and North Seas and in the Atlantic and informs him regarding further intentions of Naval Staff: war against merchant shipping, mine-laying operations, thrusts by battleships.
2. Report to the Fuehrer on plans of Naval Staff for the siege of Britain, the Navy making it a point to demand most severe and ruthless warfare.
3. Report on the extent of the submarine construction

10 Oct. 1939

CONFIDENTIAL

program and the necessity of definite concentration, The Fuehrer orders that exact data on the Navy's demands be submitted.

4. The Fuehrer rejects, for political reasons, the request that submarines be constructed in or purchased from Russia.
5. Chief, Naval Staff states that the seizure of the Belgian coast would be of no advantage for submarine warfare, but points out the advantage of acquiring a submarine base in Norway.

(For details see notes of Chief, Naval Staff on the conference with the Fuehrer in War Diary, Part C, Vol.VII).

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

Fuehrer Directive No. 6 contains basic plans for future warfare in case Great Britain and France are not willing to **stop** the war.

Preparations are to be made for active and offensive warfare against France, since prolonged delay is bound to be in favor of the Western Powers. The following operations by branches of the Armed Forces are to be provided for:

- Army: Offensive in the West.
- Air Force: Support of the Army; preventing the British and French air forces from entering into the fight; preventing the British and French from gaining a firm foothold in Belgium and Holland and British troops from landing there.
- Navy: Direct and indirect support of operations by the Army and Air Force.

(For details see Directive No. 6 issued by the Supreme Commander of the Armed Forces. - OKW 172/39 Gkdos. Chfs. 9 Oct. 1939).

The assignments of the Navy are limited, in the form of direct support to the Army and the Air Force, to single operations of a special nature, such as seizure of the West Frisian Islands or support to the Air Force in attacks over the North Sea.

However, decisive indirect support of operations by other branches of the Armed Forces will be achieved by:

1. Operations against merchant shipping, conducted with ruthless severity against the enemy's war economy.
2. Offensive use of all available and suitable combat facilities for the destruction of enemy naval forces and military transports, and the tying-down of enemy material and personnel resources; at the same time effective action should be taken against all enemy attempts to shut us off in the North Sea, to cut our trade communications in the North and Baltic Seas, or to penetrate with submarines into the inner part of the Heligoland Bight and the Baltic Sea.

B-3957

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

Considerations of Naval Staff concerning intensified operations against the merchant shipping of Great Britain and France are contained in the "Memorandum on the Intensification of Naval Warfare." The possibilities as well as the military requirements for completely throttling the enemy's merchant traffic are thoroughly discussed therein.

For the immediate future, until such time as a "Siege of Britain" can be carried out, which must be aimed at, the commitment of the Navy's combat facilities will extend to the following operational measures:

a. War against Merchant Shipping.

1. War against merchant shipping by submarines primarily by attacking, without warning, convoys, troop transports and all enemy merchantmen and vessels proceeding without lights; secondly, action in accordance with prize regulations against neutral steamers, if it is possible without endangering the submarine.
2. War against merchant shipping by pocket battleships and auxiliary cruisers, the latter to be sent out as soon as possible.
3. War against merchant shipping by surface forces attached to the Home Fleet in the North and Baltic Seas.
4. Increased use of mines off enemy supply ports and approach points by submarines and surface minelayers.

The carrying out of operations against merchant shipping must be supported by political and economic measures, taking advantage of all possibilities, with the object of achieving a complete isolation of Britain from any merchant traffic.

b. Naval Warfare against the Enemy's Military Facilities.

1. Submarine warfare and minelaying off enemy bases and areas where enemy forces are located.
2. Protection of our own merchant traffic to Norway, Sweden, Holland, and Belgium.

11 Oct. 1939

CONFIDENTIAL

3. Defense against enemy minelaying operations and keeping our operational routes open.
 4. Anti-submarine measures to be applied speedily and on the largest scale possible.
 5. Preventing submarines from penetrating into the Baltic Sea.
 6. Major operations by our battleships against enemy convoys, so as to tie down heavy enemy forces in home waters, relieve our Atlantic raiders, and lure the enemy from his bases, in order to increase prospects for the Air Force, submarines, and mines.
-

Political Items.

(See Political **Review** No. 37).

According to foreign news broadcasts, a Russo-British trade agreement was signed in London today, providing for the exchange of Russian lumber for British shipments of rubber and zinc.

As the rubber and zinc imports into Russia are primarily designed for re-delivery to Germany, the strengthening of the British war economy by the import of lumber, which is vital to Britain will at present have to be accepted.

It is necessary, however, to impress upon the Russians that the lumber for Britain must under no circumstances be shipped aboard Russian vessels but must be passed over to the British in Russian ports, there to be called for by British or neutral steamers. It would then be possible for us to seize the vessels.

In the event that the war against merchant shipping is still further intensified, a thorough investigation will be required as to whether the advantage accruing to our own war economy from the rubber and zinc imports bears any relation to the disadvantage of the pronounced improvement in British war supplies connected with the lumber shipments to the British Isles.

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

The German Legation in Lisbon reports that Portugal is more than ever resolved to maintain neutrality. The position of Salazar has become much firmer. British pressure on Portugal to abandon her neutrality meets with strong resistance.

The German Naval Attaché in Moscow **received** instructions to make investigations as to how far Teribersk Bay and harbor would be suitable as a repair and fitting-out base for surface vessels and submarines.

According to Naval Staff, Operations Division, a captain or officer of the German merchantmen lying in Murmansk could be sent there to investigate matters on the spot.

According to data available here, there is a bay only one mile wide, unprotected from the north winds, with a poor anchorage and lack of supply facilities.

Above all the following points are to be settled: facilities for berthing, wind, current and climatic conditions, communication and traffic channels, service facilities for stores, water and fuel, availability of a dockyard or repair shop.

Special Reports on the Enemy 11 Oct.

Atlantic:

Great Britain:

Radio monitoring establishes the transfer of seven British submarines from Malta to Gibraltar.

The cruiser AJAX put into Rio on 10 Oct. for refuelling. (Transmitted to the pocket battleships).

A report from New York states that British cruisers are making every effort to track down the ADMIRAL SCHEER (GRAF SPEE).

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

France:

The 10th Destroyer Division (three TERRIBLE class) is transferred from Brest to Casablanca on 11 Oct.

The 6th Submarine Flotilla receives orders on 11 Oct. to proceed to Dakar.

A British convoy escorted by light French forces is off the mouth of the Loire on 11 Oct.

French submarines are detected off the mouth of the Congo. (Transmitted to the pocket battleships).

North Sea.

Radio direction-finding reveals:

One unidentified vessel 90 miles east-northeast of the Firth of Forth (operational area of submarine U "20").

One unidentified vessel 120 miles east-northeast of Newcastle **radioed** urgent message "o/u" (operation/urgent. Tr.N.). (This area is covered at present by our outgoing submarines).

Commanding Admiral, Home Fleet, still at sea, **issued** orders to the 2nd Cruiser Squadron to return to Scapa.

According to an agent's report, British merchant captains make fun of the conduct of British destroyers engaged in escort duties. These destroyers allegedly take any drifting object to be a submarine periscope and doggedly carry out depth charge and ramming attacks. The idea of a drifting mine equipped with a dummy periscope was mentioned.

The radio traffic (in code) already reported in the Channel area between several medium-sized steamers increases the suspicion that they may have a special operational assignment although it has not been possible so far to determine its nature.

Own Situation 11 Oct.

Atlantic and North Sea:

Nothing to report.

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

Baltic Sea and Danzig Bay:

Continuation of minesweeping.

Submarine Situation:

Atlantic:

Position "Gelb":

(See War Diary, Part B, Vol. IV).

U "42".

Approaching operational areas:

U "40" central part of the North Sea

U "46" Shetland Islands

U "48" west of Ireland

U "37" northwest of Ireland

U "45" west of Scotland.

On return passage:

U "35"

North Sea:

U "47" approaching for special operation "P".

Otherwise no changes.

War against Merchant Shipping.

Special Items:

Commanding Admiral, Submarines and the Groups receive the following information:

"Irish neutrality regulations forbid submarines of belligerent nations to pass through Irish territorial

CONFIDENTIAL

11 Oct. 1939

CONFIDENTIAL

waters. If they put in on account of distress etc. they will be immediately interned. Ireland is so far firmly resolved to maintain absolute neutrality. Regulations are to be strictly observed, as otherwise the British, in turn, will violate Irish neutrality and will demand naval bases along the Irish coast, which would be a great disadvantage for German naval warfare."

Merchant Shipping.

Own Shipping:

Two steamers coming from overseas and two steamers coming from the Netherlands arrived in German ports.

There are now 516 vessels, i.e. 60 % in home waters and 303 vessels, i.e. 36 % in neutral ports. Nineteen vessels are still on the way home.

The German Consul General in Reykjavik reports on 11 Oct.: "Following orders to put out, a revolt started aboard the steamer ERIKA HENR. FISSER. The Captain wishes to put out but the officers and crew refuse to obey. The 3rd engineer and one member of the crew deserted; police support is insufficient."

An investigation is under way. The Ministry of Transportation has arranged with the Danish Government the arrest of the mutineers and their transfer to Germany as prisoners.

12 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff at 1100.

Special Items.

Commanding Admiral, Group West informs Chief of Staff, Naval Staff by teletype of the plans of the Group for a minelaying operation by destroyers soon off the east coast of England. The operation is to be directed against the mouth of the Humber and be completed, if possible, by 20 Oct. (new moon period). A later operation by PT boats is intended against the Downs and the Thames. Contrary to Commanding Admiral, West, who considers it necessary that the destroyers be covered and picked up by battleships west of the declared area, Group West firmly believes that heavy forces should not be used in the course of the operations planned, for the following reasons:

1. the heavy forces will be exposed to unnecessary danger from air forces and submarines;
2. their participation would exclude the element of surprise;
3. the task of providing cover can be better taken over by air forces;
4. the best protection for the destroyers during such operations lies in their unexpected appearance and speed.

Chief, Naval Staff agrees in principle with the opinion of Group West. The commitment of the battleships is out of proportion to the risk run by them. The final decision rests with Group West, to whom the agreement of Naval Staff is to be transmitted. At the same time it is to be left to the discretion of Group West, as far as the weather allows, to carry out the projected PT boat operation at the same time as the destroyer operation since it must be expected, following the first operation, that British defense measures along the east coast will probably be intensified.

Political Situation.

See "Political Review" No. 38.

12 Oct. 1939

CONFIDENTIAL

Special Items.

Finland:

Increased mobilization in Finland due to the Russian demands for Hangoe and the Aaland Islands. The Finns ask for diplomatic support in their dealings with Moscow.

Italy:

Final settlement of the South Tyrol question and a speedy conclusion of the re-settlement negotiations is considered by the Duce to be desirable. Italian raw material supplies to Germany are to be increased. A firmer attitude towards the British measures against Italian shipping is to be expected in the future, following a German reference to this.

Great Britain:

Chamberlain's speech before the House of Commons on 12 Oct. Open and decisive rejection of the Fuehrer's peace proposals is, admittedly, avoided but there is no indication of any readiness to negotiate on the basis of German proposals.

(See "Foreign Press Reports" of 13 Oct.)

Hoare Belisha, the British War Minister, speaks of expeditionary troops amounting to 158,000 men who have been transferred to France so far. Their transportation was effected aboard small steamers, in a round-about way to the west.

The above number of troops transferred corresponds with the calculations made by Naval Staff.

On the basis of experiences gathered in the course of recent operations against merchant shipping, Group Baltic reports that merchant traffic from the Baltic States to Britain has stopped completely of late and that only merchantmen carrying cargoes properly consigned to neutral ports are still being intercepted.

CONFIDENTIAL

12 Oct. 1939

CONFIDENTIAL

There is no doubt that a considerable part of the goods intercepted here and again released on the basis of the documents produced is actually destined for Britain and reaches the consignees in Britain via neutral ports, in other words, falls under the term "continued passage" according to prize regulations. This conclusion calls for sharp and immediate measures on the part of Germany, for it is intolerable that, in the present state of economic warfare, contraband traffic is still moving to enemy countries from the Baltic Sea and northern area lying within the German political, economic and military sphere of influence.

The following demands must be made as quickly as possible:

1. Any merchandise that might possibly reach **the British Isles via neutral** channels must first be brought in and retained for investigation until such time as the neutral consigner has given proof that the merchandise will actually remain in the neutral country.
2. The "suspicious" firms are to be listed as quickly as possible and watched continuously.
3. A large-scale organization is to be set up in neutral ports as quickly as possible to establish the actual final destination of the goods.
4. Exact data is to be procured to prove that:
 - a. such extensive merchant traffic in certain goods has hitherto not been carried on between the neutral countries,
 - b. trade in these goods with Britain has ceased simultaneously, in other words that
 - c. the import or export of certain goods now increasing by leaps and bounds over and above its normal level does not correspond to the needs of the respective country but that the goods are destined to be passed on to **Britain**. It must, therefore, be demanded that the countries in question receive and export goods only to an extent which corresponds to their peacetime trade and their own requirements.

CONFIDENTIAL

12 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 12 Oct.

Atlantic.

Great Britain:

Radio monitoring reports:

The cruisers SHROPSHIRE and SUSSEX left Aden for Zanzibar on 6 Oct. presumably en route to the Cape. The GLOECUS, MALAYA, and BULLDOG passed Port Said southbound on 9 Oct.

(Transmitted to the pocket battleships).

The following vessels **made** their appearance in the area of the Comodore, South Atlantic on 12 Oct.:
the cruisers EXETER, AJAX, ACHILLES, and two destroyers;
America-West Indies area:
the cruisers YORK and BERWICK.

France:

The Radio Monitoring Service once more confirms the previous findings on French submarines being engaged in large numbers **in** patrol duty in the eastern Atlantic.

The cruiser PRIMAUGUET **was** detected west of Cape Finisterre.

The battleships STRASSBOURG and DUNKERQUE are presumed to be in the Brest area.

North Sea:

Radio monitoring report:

The FURIOUS and REPULSE in Scapa on 11 Oct.; the HOOD probably also in the Scapa area. The RENOWN in the Channel, war readiness and position unknown. The report on Scapa is supplemented by air reconnaissance of the operational Air Force. According to this, the following vessels were lying in Scapa in the afternoon of 12 Oct.:

7 battleships
1 aircraft carrier

CONFIDENTIAL

12 Oct. 1939

CONFIDENTIAL

10 cruisers
20 small naval vessels.

In the course of the afternoon a coastal radio station in the Humber **area sent** several urgent radio messages to vessels and command posts in the Scapa area. Further radio traffic in the course of the afternoon and evening **indicated** that an unidentified number of forces is at sea north and northwest of the Dogger Bank.

Further details cannot be ascertained. It is conceivable, however, that the British, in view of the German air reconnaissance over Scapa which, at an altitude of 1,800 meters, covered the area thoroughly, believed that a large-scale attack on Scapa by German air forces was to be expected, and transferred the bulk of their heavy forces from Scapa.

For survey of the data established by the Radio Monitoring Service from 5 to 11 Oct. on the activity of the main enemy units, disposition of forces, and British operations as a result of our thrust of 7 to 9 Oct. see Radio Monitoring Report No. 6/39.

Special Items.

Great Britain.

North Sea:

The operations by the enemy instigated by the German thrust of the GNEISENAU on 7 to 9 Oct. lasted until 11 Oct. and had as their object a thorough reconnaissance and search by air forces as well as heavy and light task forces. The forces subsequently returned to Scapa. The aircraft carrier ARK ROYAL was not detected by radio monitoring.

Mediterranean:

The appearance of our pocket battleships in the Atlantic and the continuation of Italy's complete neutrality lead to an extensive withdrawal of forces from the Mediterranean into the Indian Ocean and the Atlantic, to South Africa, and to the Home Fleet (especially submarines for warfare in the North Sea).

CONFIDENTIAL

12 Oct. 1939

CONFIDENTIAL

France:

Special operations were not observed. Patrol in the Channel by light forces and planes.

Much escort activity in the area Atlantic - west coasts of Spain and Africa.

Patrol in the area of Cape Finisterre, Cape St. Vincent, Canary Islands, Madeira, Cape Verdes, west coast of Africa, particularly by submarines alone and in groups.

Own Situation 12 Oct.

Atlantic, North Sea, Baltic Sea:

Nothing to report.

Situation in the Baltic States:

The first Russian vessels put into Tallinn.

Submarine Situation.

Atlantic:

U "35" returned home from the Atlantic;
Position "Gelb": U "42", U "48";
west of the Orkneys: U "46";
west of Ireland: U "37";
west of Scotland: U "45";
central part of the North Sea: U "40".

North Sea:

U "24" left for the operational area;
U "18" in position;
U "10", U "23" and U "20" on return passage.

CONFIDENTIAL

12 Oct. 1939

CONFIDENTIAL

War against Merchant Shipping by Submarines.

U "37" sank the Greek steamer ARIS as she offered passive resistance and used her radio contrary to neutrality regulations.

Merchant Shipping.

Own Shipping:

Two steamers returned home from overseas via Norway; another steamer put into Bergen.

Four steamers left Vigo on 10 Oct. bound for Germany; they are camouflaged as Scandinavian vessels.

Neutral Shipping:

Soviet merchantmen at sea have not been interfered with so far by the British or French, according to information from the Soviet Naval Commissioner.

CONFIDENTIAL

13 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 13 Oct.

Atlantic - Indian Ocean.

Great Britain:

The cruisers SUSSEX and SHROPSHIRE in the area off Durban on 13 Oct. The cruisers NORFOLK and SUFFOLK established to be in the Gibraltar area (formerly in Devonport).

A British convoy consisting of six tankers and fifteen other steamers left Gibraltar on 13 Oct. westbound.

The German Naval Attaché in Buenos Aires **confirmed** that Montevideo is the port of departure for convoys.

North Sea:

The battle cruiser REPULSE has returned to Scapa, according to radio monitoring.

At sea in the afternoon of 13 Oct.: Commanding Admiral, Home Fleet, the 2nd Cruiser Squadron, the battle cruiser HOOD and a number of destroyers. One unidentified vessel each **was** detected off the Wash, off the Humber, and off Yarmouth.

A Swedish seaman claims to have seen, following an air attack on a British cruiser in the afternoon of 9 Oct., that two British cruisers in the North Sea were so heavily damaged that they had to be taken in tow.

The British Admiralty **sent** out five submarines against the German steamer MONTE OLIVIA which arrived at Bergen on 12 Oct. (Possibly the same submarines as those which received an urgent order to put out against a German unit during the operation from 7 to 9 Oct.).

It can be deduced from the ever increasing mine warnings from the region of Flamborough Head that mines actually were laid in the British declared area between Newcastle and the Humber.

CONFIDENTIAL

13 Oct. 1939

CONFIDENTIAL

Own Situation 13 Oct.

Atlantic:

For operations against merchant shipping by submarines at Position "Gelb" see below.

According to a report from the German Naval Attaché in Stockholm, the British Admiralty presumes the SCHEER to be in the South Atlantic. Cruisers are said to be on the look-out for her.

North Sea:

Nothing special to report.

Wide-spread fog over the entire Heligoland Bight.

The battleship SCHARNHORST will not be ready for operations until 22 Oct. because of a break-down in the main coupling of the midship turbine.

Baltic Sea:

Western Part of the Baltic Sea:

Reserve units carry out exercises and trials. Not one of the minesweeping flotillas has its minesweeping gear ready so far.

Danzig Bay:

Minesweeping.

War against Merchant Shipping:

The BREMSE, GRILLE, and HANSESTADT DANZIG are operating in the eastern part of the Baltic Sea.

No air reconnaissance because of the weather.

Submarine Situation:

Atlantic:

U "37", U "42", U "45", and U "48" at Position "Gelb".

CONFIDENTIAL

13 Oct. 1939

CONFIDENTIAL

U "46" approaching operational area west of Ireland.
U "40" approaching operational area through the Channel.

The new wave of submarines is being sent out in accordance with Operational Order No. 7 issued by Commanding Admiral, Submarines on 30 Sept. 1939.

For operational areas see chart in War Diary, Part B, Vol. IV.

At Position "Gelb":

Operations against merchant shipping in accordance with prize regulations, in particular attacks on steamers which may be sunk without warning. Attack on warships.

Further passage to Position "Schwarz" on orders of Commander, Submarines.

At Position "Schwarz":

Attack on warships and merchantmen which may be sunk without warning. Stopping of vessels in accordance with prize regulations only sanctioned by submarines whose presence in area "Schwarz" has become known as a result of sinkings.

Every opportunity should be exploited for attack and operations against merchant shipping while en route to and from the operational area.

Submarines under Commander, 6th Submarine Flotilla on board U "37" (Lt. Cdr. Hartmann).

War against Merchant Shipping in the Atlantic.

According to foreign news broadcasts:

British steamer HERONSPool (5,200 tons) was sunk by gunfire from a submarine. The crew was picked up by the American steamer PRESIDENT HARDING.

The French tanker EMILE NIQUET (14,105 tons) was detected ablaze en route from Texas to Le Havre with a

CONFIDENTIAL

13 Oct. 1939

CONFIDENTIAL

cargo of 136,000 barrels of crude oil (crew also aboard the American steamer PRESIDENT HARDING).

The steamer STONEPOLE (4,803 tons) **reported** at 0840 and 0904 having engaged a submarine at 48° 42' N, 15° 50' W. Another submarine sighting report at 1113. Further submarine sightings are reported by other steamers. These are probably submarines U "42" and U "48" (or U "45").

Merchant Shipping.

Own Shipping:

The MONTE OLIVIA, chased by British submarines, receives orders not to leave the **islands** until darkness, to keep well within territorial waters, and to proceed outside these waters if possible only in darkness and at top speed.

Neutral Shipping:

A large number of reports once more reveal definitely that goods for Britain are being shipped from Finland, Estonia, Latvia, and Lithuania to Stockholm and Kalmar and from there by rail or on the canal route to Bergen and **Goeteborg** for transshipment to Britain.

Exports from the Baltic States to Sweden and Norway have definitely increased to a degree absolutely out of proportion to peacetime traffic. It may positively be assumed that the greater part of this traffic is destined for Britain, a fact that is borne out by reports from the German Legation in Stockholm and our Naval Attaché.

A Swedish press report makes mention of a very optimistic statement made by the chairman of the Swedish Chamber of Commerce in Riga on the prospects for the exchange of

CONFIDENTIAL

13 Oct. 1939

CONFIDENTIAL

goods between Latvia and Sweden, which is said to have reached "a volume never hitherto anticipated" (foodstuffs, in particular meat, butter, bacon and linseed oil).

It will be necessary to exercise very strong political and economic pressure on the Baltic States and Sweden in order finally to stop the traffic in contraband to **England**. Operations against merchant shipping in the Baltic Sea will have to be intensified. All vessels sailing from the Baltic States to Sweden must first be brought in for search. (See also considerations of 12 Oct.).

CONFIDENTIAL

Items of Political Importance.

See Political **Review** No. 40.

Special Items.

The British Government has established a Ministry of Shipping headed by Sir Gilmour. This Ministry is taking over the Department of Shipping which was hitherto attached to the Board of Trade.

An exact outline of the tasks assigned to the newly founded Ministry is not possible. However, as a result of the establishment of close co-operation between the Ministries dealing with Shipping and Blockade, the British Government will no doubt have set up an organization capable of solving to the fullest extent the tasks of a central control of all measures connected with economic warfare, as well as dealing with all shipping problems in a farsighted manner. This organization will thus be able not only to counteract on a large scale the effects of German warfare against merchant shipping but also to **speed up** vigorous and offensive economic warfare against Germany with all the political and economic means available.

In this connection it must be stated that, at present, Germany does not possess such a centralized control of economic warfare which clearly recognizes the problems it entails and tackles them effectively.

Change of Government in Estonia. No pronounced switch towards Russia.

Russo-Turkish negotiations have not yet been concluded.

Uprising in the Japanese Foreign Ministry (see Political **Review**).

Special Reports on the Enemy 14 Oct.Atlantic - Indian Ocean.Great Britain:

The cruiser DORSETSHIRE was observed in the East Indies area.

CONFIDENTIAL

14 Oct. 1939

CONFIDENTIAL

Radio monitoring reveals convoy movements along the South American coast.

The anti-aircraft cruiser COVENTRY and the 8th Destroyer Division are being transferred from Gibraltar to **the British Isles.**

France:

The submarine-cruiser SURCOUF **received** orders to proceed to Cape Finisterre.

North Sea:

The British radio **reported** the sinking of the ROYAL OAK by a submarine (see "Own Situation").

Radio traffic within the area of the British Home Fleet indicates movements in the area of the Orkney Islands.

At 0210 on 14 Oct. Commanding Admiral, Scapa **issued** an urgent radio message to all vessels, which seems to indicate a special incident in his area.

Commanding Admiral, Home Fleet and a number of destroyers were at sea off Scapa and Rosyth on 14 Oct.

Own Situation 14 Oct.

Special Operation "P":

Submarine U "47", Commander: Lieutenant (s.g.) Prien, penetrated during the night of 13 Oct. into Scapa Flow and torpedoed the ROYAL OAK.

The sinking has become known up to now only through a Reuter report from Great Britain. The Admiralty ascribes the loss to action by a German submarine. It is definitely assumed that submarine U "47" succeeded in entering Scapa Flow Bay as planned. The submarine has not yet reported; **her** position, therefore, is unknown. It is possible that **she** actually found only the ROYAL OAK in Scapa and that

CONFIDENTIAL

14 Oct. 1939

CONFIDENTIAL

she is still in hiding there. It would be particularly tragic if the air reconnaissance flown at a comparatively low altitude over Scapa on 12 Oct. were the cause of the British Home Fleet leaving Scapa in the expectation of a large-scale attack, so that submarine U "47" thereby lost an unusual opportunity.

Further news will have to be awaited. It is already certain, however, that the sinking of the ROYAL OAK entails not only a serious material loss but, in addition, a tremendous loss of prestige to Great Britain, the effects of which cannot yet be visualized.

In view of the extraordinary importance which must be attached to the still unfinished operation of submarine U "47", strictest secrecy has been ordered concerning the position of the submarine and details of the operation.

Baltic Sea:

War against Merchant Shipping.

No results were achieved on 14 Oct.

Eastern Part of the Baltic Sea:

The first transports with Baltic Germans from the Baltic States reached Danzig.

New vessels:

Minesweepers "11" and "12" were commissioned.

Gulf of Finland:

Russian movements in the Gulf of Finland indicate an early occupation of further Baltic ports.

Submarine Situation.

Atlantic:

No changes.

CONFIDENTIAL

14 Oct. 1939

CONFIDENTIAL

North Sea:

U "19" puts out into the area east of the north of Scotland to relieve U "18".

War against Merchant Shipping by Submarines.

U "48" reports at Position "Gelb" the sinking of several steamers between 12 and 14 Oct., among them the 14,000 ton French tanker EMILE NIQUET and the British steamer HERONSPool, which offered resistance with two guns. Traffic is reported by U "48" to be quite **heavy**; many neutrals with neutral destination.

Radio monitoring reveals further successes by our submarines; a British steamer reported the BRETAGNE (10,108 tons) to have been torpedoed 120 miles southwest of Ireland; the steamer CARAMEA (8,457 tons) chased by a submarine, the steamer SNEATON (3,337 tons) fired on by a submarine, the British mailsteamer LOCHAVON (9,205 tons) sinking.

The particularly satisfactory successes of submarines at Position "Gelb" prompt Commanding Admiral, Submarines to leave these submarines for another 24 hours before transferring them south to Position "Schwarz".

Merchant Shipping.

Own Shipping:

Three further steamers coming from overseas reached home waters. Thus altogether 55 vessels totalling 269,509 GRT returned home between 1 Sept. and 14 Oct.

The steamer UHENFELS failed in several attempts to put out from Lourenço Marques due to patrol of the harbor outlet by a British and a French gunboat.

CONFIDENTIAL

14 Oct. 1939

CONFIDENTIAL

Iron ore cargoes reaching German ports in September 1939 amounted to 832,000 tons (as compared with 620,000 tons in September 1938).

In the Sound a new channel with a minimum depth of 7.2 meters has been marked, **according** to a Swedish report. The navigable channel leads from Hildas Grund South Falsterbo, Westviragogrund and Ramsan through the Lilgrunds Channel and further north-west close to the Flint Channel.

The pocket battleships in the Atlantic receive the following survey of the disposition of British and French Atlantic forces:

1. British:

East coast of South America: the ACHILLES, the AJAX, the EXETER, the CUMBERLAND, and destroyers.

Questionable: the VINDICTIVE, the DISPATCH.

West coast of Africa: the NEPTUNE, the DANAE, the ALBATROSS, destroyers, and two submarines.

Durban area: the SUSSEX, the SHROPSHIRE.

En route from the Red Sea to the south: the GLORIOUS, the MALAYA.

North America - West Indies: the BERWICK, the YORK, the ORION, the PERTH, and destroyers.

Gibraltar area: (New): the NORFOLK, the SUFFOLK, and 7 submarines from Malta.

2. French:

Submarines are patrolling the eastern Atlantic and the West Indies. Bases: Brest, Dakar, Casablanca, Safi, Fort de France.

In the Dakar area: the D.TROUIN, the PRIMAUGUET, and destroyers; new: the 6th Squadron (14 submarines and 4 destroyers).

15 Oct. 1939

CONFIDENTIAL

The Minister for Foreign Affairs advises that, fully realizing the fact that economic warfare calls for a uniform control of all tasks connected therewith, he has ordered all economic issues to be centrally handled within the Foreign Office under the direction of Dr. Ritter, the Ambassador for Special Duties in the Foreign Office.

For the time being it is only a question of dealing with all tasks of a civil nature, as far as the Foreign Office is qualified. The communication from the Foreign Office mentions the following:

General trade policy, economic warfare against the enemy powers, and countermeasures against economic warfare of enemy powers, blockade, contraband, black lists, economic relations with the neutral countries, German property abroad, and foreign property in the territory under German control etc.

Naval Staff is very much pleased that the Foreign Office is planning an Economic Division for dealing with civil economic issues; it represents the beginning of an organization urgently needed for the centralization of all economic warfare. It remains, however, to be seen how far the nucleus staff set up within the Foreign Office will be in a position to take on and deal with all problems efficiently and successfully. At present Naval Staff is entertaining preliminary plans for the establishment of an Office of War Economy which would fully meet military and economic requirements.

Special Reports on the Enemy 15 Oct.

Atlantic - Indian Ocean.

Great Britain:

The Radio Monitoring Service reports:

The MALAYA and the GLORIOUS left Aden on 14 Oct., presumably for Singapore.

The CUMBERLAND, the AJAX, and the destroyers HAVOC and HOTSPUR are in radio communication with the Falkland Islands.

15 Oct. 1939

CONFIDENTIAL

Extensive radio traffic indicates increased activity west of Britain from the Hebrides as far as St. George's Channel, as well as south and southwest of Ireland. Parts of the 12th and 3rd Destroyer Flotillas as well as planes were detected on submarine chase.

Further transfers of submarines from the Mediterranean area to home bases reveal that the enemy has realized the value of submarines for warfare in the North Sea and is planning to send out larger numbers against German naval forces in the North Sea, probably in particular against German submarines.

They may be expected primarily at the following points:

Skagerrak - Kattegat;
south coast of Norway;
northern boundary of the declared area;
south of the declared area - Borkum - Ems.

The Ministry of Propaganda learns from Copenhagen that the British Admiralty has ordered that all convoys from now on are to be escorted by planes within a radius of 100 miles around **the British Isles**. The British are converting 15,000 ton passenger steamers into auxiliary cruisers as the start of a new type of vessel for combatting enemy warships. With a view to decreasing the risk of sinking, the ship is to have numerous tanks and a cargo of wood.

France:

Radio deciphering establishes that the STRASSBOURG together with the PRIMAUGUET, the MONTCALM, another cruiser, the VOLTA, and the MOGADOR put out from Brest on 8 Oct. for a rendezvous with the British aircraft carrier HERMES. (Pocket battleships are being advised accordingly).

The unit's intentions are not known. Operations against the GRAF SPEE are not to be expected for the present; it will probably serve as convoy escort between North Africa and France.

North Sea:

The day was passed by the enemy, as radio monitoring

CONFIDENTIAL

15 Oct. 1939

CONFIDENTIAL

reveals, in measures connected with the sinking of the ROYAL OAK. Brisk radio traffic on all waves as well as radio direction-findings indicate waters west of Scotland. The netlayer GUARDIAN, which had disappeared from radio monitoring for some time, **received** orders from Scapa to return to her base in Scapa. The number of survivors from the ROYAL OAK numbered 414. Destroyers in the Rosyth area participated in a submarine pursuit in the afternoon of 14 Oct. which allegedly ended with the sinking of the submarine.

Commanding Admiral, 2nd Cruiser Squadron and the cruiser EDINBURGH were in the Rosyth area in the afternoon. Commanding Admiral, Battle-Cruiser Squadron and Commander, Torpedo Boats, Home Fleet were definitely not there.

North Sea:

Anti-aircraft positions comprising altogether 42 heavy and 6 light guns were detected on the basis of new photographic evaluation of the Scapa Flow area (reconnaissance results obtained in the period from 5 Sept. to 12 Oct. 1939). Visual reconnaissance showed an additional heavy battery and light battery.

According to an unconfirmed report, new types of balloon barrage have been put up at present in Newcastle, Hull, Manchester, Sheffield, Nottingham, Leicester, Birmingham, and Liverpool.

Own Situation 15 Oct.

Atlantic:

The pocket battleship DEUTSCHLAND reports:

"Eight days grid square BC (large square east of Newfoundland), Norwegian steamer LORENTZ HANSEN sunk, American steamer CITY OF FLINT seized. No British vessels found. Three neutrals released. Proceeding to the WESTERWALD. Crack in aircraft frame, use restricted."

CONFIDENTIAL

15 Oct. 1939

CONFIDENTIAL

According to another radio message, the DEUTSCHLAND sent the prize CITY OF FLINT off to home waters on 9 Oct.

It must be assumed from the report of the DEUTSCHLAND that hardly any British steamers are still crossing the Atlantic alone, but that they sail in convoys probably taking a more southerly course than assumed by the DEUTSCHLAND.

The reports on the enemy received (destroyer HAVOC put out from Montevideo; one cruiser near English Bank; the ACHILLES put out from Valparaiso) are transmitted to the pocket battleships.

North Sea:

Nothing to report.

Baltic Sea.

War against Merchant Shipping:

Four steamers seized by the BREMSE, the GRILLE, and the HANSESTADT DANZIG are en route to Swinemuende. The BREMSE is operating west of Riga Bay.

Danzig Bay:

Minesweeping is being continued.

Western Part of the Baltic Sea:

Barrage patrol in the Sound by the 15th Minesweeper Flotilla and the FUCHS.

Submarine Situation.

Atlantic:

No changes.

CONFIDENTIAL

15 Oct. 1939

CONFIDENTIAL

North Sea:

U "47" on return passage from Scapa. U "18" receives orders to return. Otherwise no changes.

War against Merchant Shipping by Submarines.

U "37" reports from Position "Gelb":

"French steamer VERMONT sunk; in addition to Greek steamer ARIS, also Swedish steamer VISTULA sunk while approaching operational area. Traffic slight, weather favorable."

Merchant Shipping.

Own Shipping:

Two steamers from overseas and two steamers from the Netherlands returned home; one steamer from overseas reached Norway. The French intelligence service **reported** the departure of German steamers from neutral ports.

Neutral Shipping:

The establishment of a buoyed channel within Swedish and Norwegian territorial limits from Stockholm as far as Stavanger is said to be contemplated in Sweden. Scandinavian vessels which cannot move within territorial waters on account of too deep a draught are to be excluded in principle from traffic in the Baltic Sea and the Oere Sound. In order to force ships' masters to keep within the territorial limits, the marine insurance companies are not to pay any insurances if the loss of the vessel and cargo occurred outside these limits.

CONFIDENTIAL

15 Oct, 1939

CONFIDENTIAL

On the question of the war against merchant shipping in the Baltic and North Seas, the following directive is issued to the Groups and Commanding Admiral, West; this serves at the same time as a reply to the report made by Group West and Commanding Admiral, West on the unsuitability of the destroyers for operations against merchant shipping:

1. Effective operations against merchant shipping in the Kattegat are necessary. They have been started by Group Baltic and must be extended to permanent patrol as soon as auxiliary units are increased. The basic boundary between Groups Baltic and West remains the line from Skagen to Paternoster, without this implying rigid limitation. The air reconnaissance of Group West in the Skagerrak area may be used for operations against merchant shipping in the Kattegat, after agreement between the Groups.
2. Attempts will be made to facilitate operations against merchant shipping in the Kattegat by restricting Sweden's territorial waters to three miles, thereby making it possible to close off the Sound effectively.
3. In addition, operations against merchant shipping in the western part of the Skagerrak, off the southwest coast of Norway and in the central part of the North Sea cannot be foregone in view of supplies from ports in the Skagerrak, especially Oslo. For such operations only destroyers and torpedo boats come into question, making use of good air reconnaissance.
4. It is more important to have a small number of vessels make as frequent an appearance as possible than to have a large number operate on rare occasions.
5. It seems possible to avoid excessive wear and tear of material by only a small number of destroyers operating at a time and by breaking off operations in unfavorable weather.

Armed Forces High Command, Foreign Division IV **received** a sailing order to be passed on to the tanker EMMY FRIEDRICH lying in Tampico

15 Oct. 1939

CONFIDENTIAL

(Mexico) containing definite instructions for supplying the GRAF SPEE. (See order in War Diary, Part B, Vol. I).

The task assigned to the steamer (to leave the Gulf of Mexico if possible unnoticed with the strictest secrecy and under camouflage and to by-pass or break through the enemy patrol forces, passing the West Indies and the Antilles, so as to reach the high seas) is a particularly difficult operation which is fully realized as such also by Naval Staff. It must nevertheless be attempted in the interests of supplying the GRAF SPEE and actually appears to be promising if the captain is a man of action and exercises skill.

CONFIDENTIAL

16 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 16 Oct.

Atlantic.

Great Britain:

Land's End extends to the steamer STONEPOLE congratulations on her escape; she has several times been observed in connection with attacks on submarines. She is said to have contributed substantially to the destruction of the submarine.

It is possible that the STONEPOLE is a British decoy ship which, in co-operation with planes or other submarine chasers, has succeeded in destroying one of our submarines.

France:

The Radio Monitoring Service establishes several vessels apparently on anti-submarine operations in the area west and north of the Bay of Biscay and confirms heavy patrol of the area Madeira - Cape Verdes. A convoy is detected under escort in the area 360 miles west of the Scilly Islands. Vessels of the 5th Squadron and the submarine-cruiser SURCOUF are apparently standing by.

(Atlantic forces advised).

North Sea:

On the morning of 16 Oct. one battleship and two cruisers were detected by air reconnaissance in the Firth of Forth east and west of the bridge and were successfully attacked by Air Force bomber formations in the course of the afternoon. The raids were directed against the cruisers SOUTHAMPTON and EDINBURGH and the flotilla leader MOHAWK. The successes resulting from the attacks have in part been admitted by the British.

Hits scored:

two 500 kg bombs on cruisers;
one further hit on the flotilla leader.

CONFIDENTIAL

16 Oct. 1939

CONFIDENTIAL

The battleship observed in the Firth of Forth in the forenoon is detected by photographic reconnaissance in the afternoon in Dock No. 3 of the Royal Dockyard in Rosyth. It is definitely identified as the battle-cruiser REPULSE. As reports on the bombing attacks on shore targets have not yet been released, an assessment of the final results of the attack cannot yet be made.

(For report of the Air Force see War Diary, Part C, Vol. V).

Own Situation 16 Oct.

Atlantic:

Nothing to report.

North Sea:

Submarine U "47" reports operation in Scapa Flow carried out as planned: sinking of the ROYAL OAK and damage inflicted on the REPULSE. A glorious success and proof of the outstanding operational efficiency of our "young" submarine arm.

The damage inflicted on the REPULSE is confirmed by air reconnaissance: the battle cruiser is lying in dock at Rosyth. It has been requested that air forces be sent out against the REPULSE (see above).

The loss of the ROYAL OAK and the damage to the REPULSE are particularly hard blows to Great Britain at the present moment - shortly after the British Prime Minister rejected the German peace proposals - especially as she was in no way willing to conduct the war by using all available resources and accepting great sacrifices. This success greatly impairs British prestige with the neutrals and increases respect for German power. In the German nation it enhances respect

16 Oct. 1939

CONFIDENTIAL

for the Navy and awakens affection for the "young" German submarine arm, in the same way as the successes of our submarine warfare against merchant shipping. The military effects of the successes of our submarine arm and air forces on naval warfare in the North Sea cannot yet be fully visualized. Realizing the serious danger to her heavy ships in the North Sea area, it must be expected that England will withdraw them completely from the North Sea and North Sea bases and use them, in conjunction with the aircraft carriers, for safeguarding her trade routes in the Atlantic. For the North Sea she will rely on those forces which are primarily suited to fulfill the tasks of naval warfare arising in this area, that is to say submarines, destroyers under cruiser escort, PT boats, planes, and minelayers. It may nevertheless be assumed that, even in the future, the British Admiralty will not be willing to carry out a strong offensive, in view of the fact that any naval warfare which extends beyond the vicinity of the coast involves operations by the forces in question. From this arises not only the possibility but also the obligation on the part of Naval Staff to apply all available combat facilities with the utmost vigor.

Only intensified submarine activity and use of mines in the North Sea, particularly off our own outgoing routes, must be expected from the enemy already in the near future. This supposition is brought to the attention of Group West.

Baltic Sea:

War against Merchant Shipping.

Further successes by the GRILLE and minelayers in the eastern part of the Baltic Sea.

Western Part of the Baltic Sea:

The laying of the net barrage in the Gjedser Channel has been started and the nets in the Sound completed.

CONFIDENTIAL

16 Oct. 1939

CONFIDENTIAL

Danzig Bay:

Minesweeping continued.

Submarine Situation.

Atlantic:

No changes.

North Sea:

U "23" put into Kiel;
U "47", U "20" and U "18" on return passage;
U "19" in the operational area of the North Sea.

Merchant Shipping.

Nothing to report.

The views of Naval Staff concerning the treatment of armed merchantmen of enemy countries by neutral Governments are transmitted to the Foreign Office and read as follows:

"Statements made by the British and French Governments reveal the extensive armament of their merchantmen, explaining this armament as a defense against the war on merchant shipping which Germany is conducting in accordance with prize rights definitely complying with International Law. The armament is designed in particular to enable the merchantmen to combat the submarines engaged in operations against merchant shipping. In fact, the use of arms against submarines by enemy merchantmen has already been proved in a number of cases. Thus, these armed merchantmen, together with the regular naval and air forces, are being brought into the **regular** system for combatting lawful German war measures. The merchantmen thereby lose their private character; their armament can no longer be justified as

CONFIDENTIAL

16 Oct. 1939

CONFIDENTIAL

merely a defensive measure against unlawful encroachments. Under these circumstances it is, in the opinion of Naval Staff, incompatible with the principles of true neutrality that merchantmen thus armed and assigned to such tasks still be treated as mere merchantmen on entering neutral waters.

Demands must be made that the regulations covering warships provided in the neutrality rules be applied to them (24 hour stay, forbidding re-entry before expiry of three months, etc.)

Naval Staff requests investigations as to whether and in what form this opinion can be made known to the neutral countries. Attention is hereby drawn to the attitude adopted by the Netherlands during World War I and to the Lansing Note of the U.S.A. dated 18 Jan. 1916 which support this thesis. It is at least considered possible to achieve recognition of this in the case of the friendly nations. The advantage to be derived therefrom is obvious and need not be elaborated any further."

At 1700: Conference between the Commander in Chief, Navy and the Fuehrer and Supreme Commander:

1. Report on the operation of submarine U "47" in Scapa Flow. The Fuehrer promotes Commanding Admiral, Submarines, Commodore Doenitz, to Rear Admiral and orders the Commander of U "47" Lieutenant (s.g.) Prien to Berlin to report on the operation and be awarded the Knight's Cross.
2. Conference on the intensification of naval warfare following memorandum presented to the Fuehrer.

The Fuehrer approves the following:

- a. Sinking without warning of all merchantmen definitely identified as enemy vessels (British or French).
- b. Passenger steamers under escort may be torpedoed some time after such intention has been notified.

Commander in Chief, Navy draws attention to the fact that passenger steamers are already being torpedoed if sailing without lights.

16 Oct. 1939

CONFIDENTIAL

- c. The Italian, Russian, Spanish and Japanese Governments are to be requested to state that they will not carry contraband, otherwise they will be treated the same as the other neutral countries (is already being attended to).
3. Commander in Chief, Navy reports that the Russians have placed at our disposal a base favorably located west of Murmansk, where a repair ship is to be stationed.

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items.

1. The considerations on the question of not recognizing the Swedish four-mile territorial limit and its restriction to three miles have still not been completed. The Foreign Office considers the present moment unfavorable for making the German view known to the Swedish Government and to the other neutrals.

2. The problems of economic warfare and the questions of combatting its effects on German economy are, in the opinion of Naval Staff, not recognized to their full extent by the authorities and offices so far entrusted with handling measures pertaining to economic warfare - Ministry of Economics, Ministry of Food, Deputy for German Economy, Armed Forces High Command, Department for Economic Warfare - and the urgent measures for control are not being taken to the extent necessary, due to the fact that a central organization responsible for economic warfare is non-existent. Chief, Naval Staff orders the entire issue to be investigated. In this connection Naval Staff envisages the establishment of an Office of Economic Warfare under the responsible direction of a naval officer holding the rank of Admiral which, being attached to Armed Forces High Command and provided with adequate powers of control, will be in a position to make definite demands on political and economic authorities as regards the conduct of economic warfare and to control their execution, in addition to dealing with measures of economic warfare of the Navy.

Discussion between Naval Staff and the Naval Attaché in Moscow, Commander Baumbach:

1. Question of bases in Northern Waters:

The desire of Naval Staff to be accorded, at Murmansk and Vladivostok, the possibility in Russian dockyards of completely overhauling German warships (pocket battleships and submarines), making repairs, equipping auxiliary cruisers, and replenishing supply

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

ships, cannot be fulfilled.

Reasons are of a political and technical nature as follows:

- a. The secrecy to be attached to such a measure would in no way be ensured as the harbors are open to foreign merchantmen at all times.
- b. Although the Russians are willing to accommodate us to a great extent they nevertheless wish to maintain outward neutrality.
- c. Work at Russian dockyards cannot be compared with that in German repair shops. The Naval Attaché does not consider major dockyard overhauls by Russian labor to be very promising.

The Russians had at first offered Teribersk Bay for our purposes. Its situation, harbor conditions, and repair facilities are, however, most unsuitable, so that a new offer was submitted by the Russians placing Zapadnaya Litsa Bay at our full disposal. In this Bay (west of Murmansk) Germany shall be allowed to do whatever she wishes; she may carry out whatever projects she should consider necessary. Any type of vessel may be permitted to call there (pocket battleships, submarines, supply ships).

Advantages of the Bay: Favorable geographic position. Motovski Bay, facing it, is Russian territory. It is a closed area and even Russian vessels cannot enter the Bay as they wish. It forms a bend and is covered from outside view. The inner part is suitable as anchorage for very large and small ships.

Decisive disadvantages: There are neither repair facilities nor railway communications. On the basis of the information supplied, Naval Staff is facing an entirely new situation in that the demands for full support in Russian ports as regards facilities for overhaul, repairs and equipment cannot be fulfilled. The practical possibilities of the Bay placed at our disposal-which is naturally being accepted with great

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

appreciation - are slight. The possibilities for immediate equipment and dispatch of repair and supply ships, the establishment of a floating "Base North" with an accommodation and supply ship as well as, perhaps, the construction of a floating repair shop are to be investigated immediately. Personnel is to be held in readiness. The Naval Attaché is requested to obtain further data on the Bay, ice conditions, ice-breakers, transport facilities etc. and simultaneously to sound out the Russian Government about the possibilities of a similar Russian offer of a "Base East" in a bay or port of East Asia.

2. Equipping of auxiliary cruisers:

There are no possibilities in Murmansk. Apart from the very long period required for conversion and equipment, it could also not be carried out to the required extent at "Base North". It would, therefore, be better for auxiliary cruisers to be converted and equipped in Germany. They could then possibly be sent out on **operations** and supplied continually from "Base North".

3. Exchange of Intelligence:

The Naval Attaché requests that the exchange of intelligence on Russia which has hitherto taken place with other countries (Japan, Italy, Finland, and Estonia) be suspended immediately, since political relations have undergone a complete change. Russia is no longer to be regarded as our enemy. Any exchange of intelligence entails the risk of its coming to the knowledge of Russia. The countries in question thus have an opportunity of intriguing in Russian Government circles against Germany, a measure which may do considerable political damage in view of the well-known mistrust of the Russians. Any possible advantage to be derived from the acquisition of intelligence is absolutely out of proportion to the political and economic disadvantage to be expected. Besides, the Naval Attaché believes that, in view of the present attitude of the Russian authorities, he himself will be able to procure - by absolutely **open** methods - much more comprehensive intelligence than he has been able to so far.

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 17 Oct.

Atlantic:

Great Britain:

The Norwegian Admiralty announced: There are mines in the Bristol Channel south of the lightship SCARWEATHER in an area forming a circle with a radius of three miles. Center of circle 3.6 miles at 191° from the lightship. The report has been confirmed by an agent.

This is probably a warning to shipping as a result of losses in the area of the Bristol Channel where mines were laid by submarine U "32".

France: Radio intelligence detects air patrol west of the Channel apparently connected with the unit or convoy proceeding about 300 miles west of the Scilly Islands.

Radio monitoring reveals convoy movements from Gibraltar and Casablanca.

North Sea: The damaged battleship REPULSE was detected by photographic reconnaissance in Rosyth.

Our armed air reconnaissance (four Ju 88's) **intercepted** the old battleship IRON DUKE lying in Scapa Flow as guardship and **attacked** her with success. (The ship was first taken for the REPULSE).

Hits scored: Two 500 kg. bombs.

The He 111 squadron subsequently attacking Scapa **scored** a bomb hit on a cruiser.

The air reconnaissance flown subsequent to the attacks also believes **it sighted** aircraft carrier FURIOUS at Scapa; however, she was not intercepted by the bombers in view of the prevailing weather conditions. There are no other heavy ships lying at Scapa.

Air reconnaissance in the afternoon detected destroyers operating east of Newcastle, obviously in connection with a submarine lying there. Air reconnaissance further

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

reports a convoy being formed east of Flamborough Head, where light cruisers also may have been standing by.

A number of steam trawlers (patrol vessels) was detected between the Dogger Bank and the Wash. Commanding Admiral, Home Fleet, Commanding Admiral, 2nd Cruiser Squadron and possibly also Commanding Admiral, Aircraft Carriers were at sea in the evening of 17 Oct.; there was one cruiser between Stavanger and the Orkneys.

The area within a 3 mile radius of the Shambles lightship ~~was~~ declared a danger area and the lightship apparently shifted; the new position given, however, is the same as during peacetime.

This measure was caused by minelaying of submarine U "26".

Own Situation 17 Oct.

Atlantic: War against merchant shipping by Atlantic submarines at Position "Gelb" (see below).

North Sea:

In the evening of 17 Oct. the following two destroyer operations of Group West were started:

1. Minelaying along the east coast of England (Humber) under cover of bomber formations of the Air Force, beginning at dawn.
2. Operation against merchant shipping in the Skagerrak with three destroyers and three torpedo boats.

The operation under 1. has for its objective the mining of the southern approach to the coastal route west of the British declared area off the east coast of England.

The operation is led by Commander, Torpedo Boats.

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

Forces: four destroyers as minelayers,
four destroyers serving as escorts.

Mines carried: 90 RMA's and 90 RMB's.

For minefield positions and operational orders see executive orders issued by Commanding Admiral, West (Fleet Command 182 A I Gkdos., Chfs. of 13 Oct. 1939).

Armed reconnaissance flown in the afternoon by a bomber flight of the 1st Squadron of the 406th Group **sighted** east of Flamborough Head a convoy consisting of about 26 steamers and two light cruisers and unsuccessfully **attacked** a Polish destroyer, type GROM, towards 1500 east of the Firth of Forth (near St. Abb's Head). Several air battles with enemy fighters take place, resulting in the loss of one Do 18 which is forced to make an emergency landing close to the destroyer.

Baltic Sea:

War against merchant shipping by the KAISER and the TANNENBERG. Several steamers were brought in to be searched.

Danzig Bay:

Minesweeping in the Polish closed area was completed. Altogether 42 mines were swept.

Submarine Situation:

Atlantic:

U "37") (Flotilla Commander)
U "46")
U "45") at Position "Gelb"
U "40")
U "42")

U "48" starts return passage after using all torpedoes.

U "25") left for the Atlantic operational area.
U "34")

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

North Sea:

U "19" returning, following minelaying Inner Dowsing as planned.

U "20") return passage from the North Sea operational
U "23") area.

U "18" on return passage.

U "16" left for minelaying in the Channel.

Losses sustained: U "27" (Lieutenant (s.g.) Franz) lost on 20 Sept. According to inquiries made to the Geneva Red Cross, 33 noncommissioned officers and men were taken prisoner (officers have not been mentioned so far).

U "39" (Lieutenant (sg) Glatte) lost on 14 Sept. Entire crew, four officers, 38 noncommissioned officers and men, taken prisoner.

U "12" missing in the Channel.

There is also grave concern about the three submarines up to now operating in the Atlantic (Position "Gelb"): U "40" (von Schmidt), U "42" (Dau) and U "45" (Gelhaar) who have so far not replied to orders to state their positions. It is possible that they have fallen victims to decoy ships (the steamer STONEPOLE) or armed merchantmen.

War against Merchant Shipping by Submarines.

The Radio Monitoring Service **intercepted** a report from the British steamer IMPERIAL STAR (10,733 tons) stating that she **was** being fired on (180 miles northwest of Cape Finisterre). Submarine U "46" **reported** a convoy in the same position early on 17 Oct. and **guided** the other submarines to this position by shadowing reports. One steamer **was** hit, the convoy dispersed and **two further steamers sunk.**

A very pleasing and noteworthy achievement.

(Radio Portishead **reported** the steamers YORKSHIRE

CONFIDENTIAL

17 Oct. 1939

CONFIDENTIAL

(10,381 tons) and CITY OF MANDALAY (7,028 tons) torpedoed).

In order to avoid submarine losses through enemy steamers, the following order is issued in accordance with the approval given by the Fuehrer on 16 Oct:

Permission is given to submarines to make full use of arms immediately against all merchantmen definitely identified as enemy vessels, as in every case attempts at ramming or other active resistance must be expected. Enemy passenger steamers are still excepted.

Simultaneously all neutral countries are once more advised not to let their vessels sail under enemy escort and to instruct their shipping not to make itself suspicious by measures such as sailing without lights. The neutral Governments, in a supplementary note, are advised to forbid their citizens to travel aboard merchantmen of the belligerent nations.

Merchant Shipping 17 Oct.

Two steamers returned home from overseas, three steamers from the Netherlands.

Four steamers left ports overseas homeward-bound. The fact of the transfer of British submarines from Gibraltar to **the British Isles** is transmitted to the Atlantic forces (Radiogram 1138/17).

CONFIDENTIAL

18 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 18 Oct.

Atlantic.

Great Britain:

(blank, Tr.N.)

America:

The aircraft carrier HERMES appears in radio monitoring covering the North American area on 17 Oct. and is mentioned in connection with the cruisers BERWICK and YORK.

The GLASGOW and NEWCASTLE are in the eastern part of the North Atlantic.

The cruiser ACHILLES was in Puerto Montt on 17 Oct.

Africa:

A telegram from Monrovia reports a RENOWN and a LEANDER class, a British aircraft carrier (the ARK ROYAL?) and six destroyers at Freetown.

Should this report be true, then this group left home waters some time ago, with the probable object of operating against the GRAF SPEE in the South Atlantic.

Gibraltar Area:

A 15,000 ton ship of the Cunard Line was converted into an auxiliary cruiser at Gibraltar (eight 15-cm guns, 2 anti-aircraft guns and emergency armament).

On 15 Oct. a convoy, destroyer escort, and auxiliary cruiser coming from the west put into Gibraltar. Minelaying submarines, as well as the RAMILLIES with two destroyers, put out to the west.

The Naval Attaché in Madrid reports that a Greek steamer en route from Gibraltar to Huelva sighted nine British submarines.

CONFIDENTIAL

18 Oct. 1939

CONFIDENTIAL

East Asia:

Great Britain and France are withdrawing a large part of their merchant shipping from East Asia. Belligerents and neutrals choose the route around the Cape.

France:

The Radio Monitoring Service establishes convoy movements along the line Nantes - Dakar, escorted by older-type battleships, large destroyers, and submarines.

The extensive submarine patrol in area Cape Finisterre - Canary Islands - Cape Verdes is again confirmed.

The 4th Cruiser Division (3 MONTCALM class) assigned to pick up convoys is in the area southwest of Brest.

North Sea:

Visual reconnaissance flown by a plane of Commander in Chief, Air Force reveals naval vessels in the Ramsgate area, the type of which could not be definitely made out. Reconnaissance over Loch Ewe and the Channel ports had to be cancelled due to the weather.

The Radio Monitoring Service intercepted in the evening an unidentified vessel west of Esbjerg and one in the direction of Skagerrak - southern Norway. It must be assumed that they were enemy submarines.

There are again reports on the formation of convoys from the area off Trondheim Fjord to the west and of armed enemy merchantmen assembling at Narvik. Photographic air reconnaissance over Scapa reveals the following:

in the Gutter Sound: 2 warships, type not recognizable; 2 cruisers of the "C" class;

in Long Hope: 1 battleship, 1 cruiser of the "C" class, several small vessels.

Baltic Sea: In the evening of 18 Oct. submarine alarm

CONFIDENTIAL

18 Oct. 1939

CONFIDENTIAL

in Danzig Bay. Investigations were without result.

Own Situation 18 Oct.

Atlantic:

Nothing to report.

North Sea:

The minelaying operation of Commander, Torpedo Boats along the east coast of England was carried out as planned without contact being made with the enemy. The operation against merchant shipping by vessels of the 2nd Destroyer Flotilla in the Skagerrak was started as ordered.

One patrol boat of the 8th Patrol Boat Flotilla is overdue. Position: the southeastern corner of the declared area. There is a possibility of the boat having struck one of our mines or an enemy one or having encountered an enemy submarine. The area is being checked for enemy mines.

Baltic Sea.

Danzig Bay:

Submarine chase and anti-submarine patrol. Minesweeping in the Polish minefield northeast of Hela.

War against Merchant Shipping:

The KAISER and the TANNENBERG report from the operational area in the eastern part of the Baltic Sea that shipping outside territorial waters has almost ceased. Four steamers were stopped, two of them being sent to Swinemunde to be searched.

CONFIDENTIAL

18 Oct. 1939

CONFIDENTIAL

War against Merchant Shipping by Submarines.

U "48", after using up all torpedoes, started home early on 18 Oct. and at 0700 sighted a convoy on course northeast, speed 13 knots, consisting of six vessels; the submarine maintained contact. According to radio monitoring, the steamers CITY OF GUILFORD, GARTBRATTEN, IMPERIAL, STAR, and SAGAING, which reported several submarines, form part of this convoy. By about 1000 U "46" had come up but was forced by a plane to withdraw at 1100. At 1400 the submarines which had been forced to withdraw received orders to proceed to Position "Schwarz". U "46" reports several torpedo failures.

Merchant Shipping.

Own Shipping: Two vessels from overseas carrying coffee and sugar put into home ports.

Foreign Shipping:

The captain of the steamer AMASIS reports that steamers wishing to sail to Britain assemble near Floety (off Trondheim) and are picked up by British destroyers every other day, according to a statement by the pilots.

In accordance with a request of the Foreign Office, all Atlantic forces have been ordered not to seize the Rumanian steamer SULINA en route to New York to pick up war materiel.

The Italian Ambassador in Bukarest reports to Rome that Italian shipping agencies at Galati and Constanta had been authorized by their head offices to give information to British consular offices on the goods shipped by them to order as well as to specific consignees. The Italian Ambassador has ordered these companies to desist from giving the afore-mentioned information.

CONFIDENTIAL

18 Oct. 1939

CONFIDENTIAL

Chamberlain's speech before the House of Commons.
(For excerpt see War Diary, Part E, Vol. V).

The American press **published** further information on the ATHENIA case. The ATHENIA accident is said to have been due to an explosion aboard the ship; three British destroyers are subsequently said to have sunk the damaged ATHENIA by gunfire. (See "Foreign Press").

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

Items of Political Importance.

I. Conclusion in Ankara of the tripartite agreement between Britain, France, and Turkey:

1. The obligation on the part of Great Britain and France to render assistance will apply
 - a. in any case of an act of aggression by any European power
 - b. in case any action by a European power should lead to war in the Mediterranean in which Turkey will be involved.
2. The obligation on the part of Turkey to render assistance will apply
 - a. in case of an act of aggression by a European power resulting in the eastern Mediterranean being drawn into the hostilities;
 - b. in case Great Britain or France are drawn into hostilities as a result of their guarantees to Rumania and Greece.

An important clause has been incorporated to the effect that Turkey is not to be under obligation to act in accordance with the agreement if such action would lead to a war with the Soviet Union.

II. Various news reports from abroad indicate that Great Britain plans to continue inactive warfare until she is in a position, from a military and economic point of view, to stand up to a decisive battle with success. In England it is fully expected that, under pressure of the British economic and propaganda war, Germany will collapse sooner or later, so that it is inadvisable to go "all-out" now and make unnecessary sacrifices. The main topics of discussion in Britain at present are: the relations between Germany and Russia, which it is desired to disturb as much as possible by sowing distrust; the negotiations between Russia and Turkey, which have been unsuccessful so far, the new tripartite pact concluded with Turkey being designated as a great success for the Western Powers. On the other hand, the development of the situation between Russia and Turkey is

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

favorably assessed both in Russia and Germany, and the pact of assistance between Turkey and the Western Powers, arising from the precarious position in which Turkey finds herself, is looked upon as really illusory and not very promising. The Russian attitude is clearly directed against Great Britain. The realization that the present war is an economic war has also induced the Russian Government to plan for a long war. The slogan "Annihilation of Capitalism" brings Russia into definite economic and political opposition to the Western Powers.

For news from the Baltic States see Political **Review** No. 45.

With respect to the telegram addressed to the Fuehrer by the President of the Republic of Panama subsequent to the Panama Conference, a discussion took place on 17 Oct. in the Foreign Office on the "Pan-American Safety Zone" planned by the American **nations**.

The views of Naval Staff reject this neutrality zone as regards operations. (See War Diary, Part B, Vol. V, Page (Tr.N.: page number missing). The Ministry of Economics, however, sees great economic advantages if the German vessels lying in American ports could again be used in merchant traffic along the American coasts.

For the present, a really negative reply is not to be given, especially as Great Britain plans not to recognize the zone, which meets with Germany's intentions. A recognition of the zone is entirely out of the question.

The following information is, therefore, given to the pocket battleships, the Groups, and Commanding Admiral, Submarines:

"The American **nations** claim the following neutrality zone as agreed upon at the Panama Conference:
From the border of Canada east to 60° W, south to 20° N, loxodrome line to 5° N 24° W, south to 20° S, loxodrome line to 58° S, 57° W. West to 80° W, loxodrome line to 0° N 97° W, loxodrome line to 15° N 120° W, loxodrome line to 136° W on a line with the

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

Canadian border. The claim is made to keep the area free of war operations and also operations against merchant shipping. The area is not blocked to warships. Foreign possessions are not looked upon as neutrals.

Some nations have established a patrol service and are escorting merchantmen. The zone is recognized neither by the enemy nor by us. Neutral escort does not offer protection against measures taken in accordance with prize laws, except in the case of Article 34 of the Prize Regulations. In order to enforce our rights, however, no war operations against neutral warships are to be carried out for the present. Incidents are to be reported."

Conference on the Situation with Chief, Naval Staff at 1100.

Special Items.

1. It must be expected that Great Britain will concentrate her activity in the North Sea on offensive submarine and mine warfare and that she will try, especially after the loss of the ROYAL OAK, to achieve submarine successes against German task forces. British submarine operations into the Heligoland Bight as far as the river mouths and into the Baltic Sea must, therefore, be expected. PT boat operations against the river mouths are also quite possible.

Chief, Naval Staff orders the speedy and effective closing of Schillig Roads and the Elbe against submarines and PT boats, as at present only a dummy barrage has been laid off the Jade. Clsosing is to be effected with nets and hawsers.

2." Chief, Naval Staff once more draws attention to the necessity of a heavy mine offensive with submarines and light surface forces.

3. Group Baltic has ordered Commanding Admiral, Defenses, Baltic Sea:

a. to make preparations for barrages against surface forces to block the Sound and Great Belt so that they may be laid at short notice if enemy surface forces are expected to penetrate into the Baltic Sea:

code word "Undine 5" off the Sound from 55° 8' N, 12°40.5' E, course 55°, six miles.

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

code word "Asien" off the Great Belt from 54° 45.2' N, 10° 48.9' E, course 280°, 2.5 miles.

(See order from Group Baltic, Gkdos. 294/39 Chefs. of 17 Oct.)

b. immediate laying of anti-submarine barrages in the Great Belt:

code words "Jade 7" and "Jade 8" (mines: 500 UMA's)

c. extension of barrage "Jade 1" by laying a double net (18 km net) as soon as new net supplies are available.

d. to make preparations for anti-submarine barrages in the Sound, code word "Amerika". For the purpose of effecting a complete block the barrage will be situated inside territorial waters and is, therefore, to be laid unnoticed.

(See order from Group Baltic, Gkdos. 293/39 Chefs. of 17 Oct.)

Naval Staff does not anticipate any complete success from the laying of barrages "Jade 7" and "Jade 8", as there will still be sufficient possibilities for enemy submarines to penetrate even after the barrages have been laid and the required number of mines, in the opinion of Naval Staff, is out of proportion to the prospects of success considering the present low stocks. Group Baltic, therefore, receives orders to postpone the laying of barrages "Jade 7" and "Jade 8" for the present because of the lack of material.

Special Reports on the Enemy 19 Oct.

Atlantic.

Great Britain:

Evaluation of radio monitoring reveals that the RENOWN left home waters on about 4 Oct. and has probably been operating since then together with the ARK ROYAL. The group has appeared since 14 Oct. in the area of Commander in Chief, South Atlantic.

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

The Naval Attaché in Tokyo **learned** the following from a friendly source in the Japanese Admiralty:

The EAGLE left Colombo on 15 Oct. Position unknown. Two battleships passed Suez southbound (this refers to the MALAYA and the GLORIOUS). The Admiralty presumes operations from South Africa against German Atlantic forces.

A French formation including the STRASSBOURG is said to have joined up in the Atlantic with British forces (presumably with the REVENGE and the HERMES). (Transmitted to the pocket battleships).

France:

According to a Spanish report, Le Havre and Marseilles have been designated as control ports in place of Brest and Sète; new control ports are Dunkirk, Fort de France, and Dakar; also Oran.

Radio monitoring detects patrol vessels off Brest and in the Bay of Biscay. An order for reconnaissance to be flown over the area around Las Palmas has been intercepted. Submarines of the 18th Submarine Division are in the area of Casablanca, Safi, Canary Islands, Madeira. Three French submarines are off Lobito.

Neutrals:

The U.S. naval base at Key West, which had not been in use since 1930, has once more been put into service for patrols to protect the neutrality of the east coast and the Caribbean Sea.

North Sea:

Radio monitoring **established** that Commanding Admiral, Home Fleet was not in Scapa but probably in another Scottish port in the evening of 18 Oct. The REPULSE obviously left Rosyth again. A German Consulate report once more **established** a convoy being formed to sail from Stavanger to the west, indicating that cruisers and destroyers are to act as escorts. An agent's report from Haugesund makes mention of Norwegian naval vessels being used for escort duties.

Own Situation 19 Oct.

Atlantic: see "War against Merchant Shipping by Submarines"

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

North Sea:

In view of the loss of patrol boat "805", which has not been clarified so far, the area in question north of Schiermonnikoog is declared to be suspected of mines and will be checked. This check has not been possible so far due to the weather.

The operation against merchant shipping by the 2nd Destroyer Flotilla and the 6th Torpedo Boat Flotilla was completed on 19 Oct. according to plan.

The final result is not yet known; only one prize has been reported brought in so far.

Baltic Sea.

War against Merchant Shipping:

The KAISER and the TANNENBERG report very slight steamer traffic outside territorial waters in the eastern part of the Baltic Sea.

Barrage patrols and minesweeping were greatly hampered by bad weather and in some cases entirely stopped. In the Sound drifting mines were established and three mine explosions observed.

Eastern Part of the Baltic Sea:

Heavy Russian forces put into Reval (Tallinn), Riga, and Baltic Port.

Submarine Situation.

Atlantic:

In the operational area	:	U "37", U "40", U "42", U "46".
En route into the operational area	:	U "34", U "25".
On return passage	:	U "48".

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

North Sea:

In the North Sea operational area (Hoofden - north-eastern entrance to the English Channel. Tr.N.) there is at present only U "16" (en route into the Channel) apart from submarines passing through.

War against Merchant Shipping by Submarines.

At 1040 U "46" reported a convoy of 15 vessels under escort 70 miles northwest of Cape Villano on southerly course, medium speed; the submarine at first maintained contact but was driven off by a destroyer at 1300.

At noon U "48" had an engagement with the steamer ROCKPOOL (4,889 tons) carrying two guns, 180 miles southwest of Ireland, and was likewise driven off by a destroyer.

A radio monitoring report reads as follows:

"At 2044 Land's End reports in dummy radio traffic: the British steamer HALIZONES (5,298 tons) torpedoed 40 miles southwest of Bishops (off the Bristol Channel)".

By Surface Forces:

Results of the war against merchant shipping in the Baltic and North Seas up to 16 Oct. do not show any sinkings. (See War Diary, Part B, Vol V.)

Merchant Shipping on 19 Oct.

Own Shipping:

One steamer returned from overseas. Steamers in Dutch ports have returned to home waters with the exception of four which have not yet been released. The steamer MINDEN was seized and sunk in the North Atlantic on 24 Sept. according to information from the Chinese Consulate at Liverpool.

CONFIDENTIAL

19 Oct. 1939

CONFIDENTIAL

The following information has been transmitted to the pocket battleships:

- "1. British battleships and carriers have been withdrawn from the North Sea as a result of the sinking of the ROYAL OAK in Scapa Bay and air attacks on naval forces in Scapa, Rosyth, and the northern part of the North Sea.
 2. The REVENGE and the HERMES have appeared together with the YORK and the BERWICK in the Canada - West Indies area. The GLASGOW and the NEWCASTLE are in the eastern part of the North Atlantic.
 3. Full use of arms against vessels proceeding without lights is permitted at once for submarines in the area between 20° W, 62° N, 3° E, 44° N.
- (The order was issued simultaneously to Commanding Admiral, Submarines.)

CONFIDENTIAL

20 Oct. 1939

CONFIDENTIAL

Items of Political Importance.

See Political **Review** No. 46.

Special Items:

The Royal Conference at Stockholm was concluded. The discussions dealt in the main with:

1. the question of the Scandinavian countries maintaining strict neutrality
2. the relations between the Scandinavian countries and Russia, and the attitude of Finland in the present negotiations.

The Scandinavian countries obviously do not plan mediations and these are apparently not regarded at present as favorable.

Conference on the Situation with Chief, Naval Staff.

1. Directive No.7 concerning Warfare of the Fuehrer and Supreme Commander of the Armed Forces (OKW/WFA No. 181/39 Gkdos.Chefs. I I of 18 Oct. 39) contains supplements to previous directions for conduct of the war against the Western Powers, among others the following:
 - a. the Air Force: Permission to attack British naval forces in naval ports;
 - b. the Navy: Permission to attack enemy passenger steamers sailing under escort or without lights.

The Fuehrer will come to a decision on all other measures suggested for the intensification of merchant war against Great Britain as soon as they have been investigated by Armed Forces High Command with respect to their political and economic effect.

The attacks against British naval forces at sea and in naval ports are to be continued in close co-operation between the Navy and the Air Force when any favorable opportunity presents itself.

CONFIDENTIAL

20 Oct. 1939

CONFIDENTIAL

Otherwise Directive No.6 will apply for the Navy in respect to the future conduct of the war.

2. Chief, Naval Staff orders, in case the conflict should extent to Belgium, that immediate and vigorous submarine minelaying be carried out off Belgian ports.

3. Commanding Admiral, Submarines had expressed the wish to allow submarines in the North Sea operational area having only slight prospects of success to carry out operations against merchant shipping in accordance with prize regulations.

Naval Staff cannot comply with this wish as their commitment would, in the opinion of Naval Staff, be out of proportion to the results anticipated. The main tasks of the North Sea submarines continue to be:

The laying of mines off the British coast and patrol off the Scottish ports.

4. By means of operational order No.3 of the Fleet Command, Chief, Operations Branch gives a report on the PT boat operation against the River Thames planned by Group West. Assignment: Mining of the southern entrances to the Thames. Departure from the eastern Ems estuary one hour before sunset. Escort by bomber forces of Commander, Naval Air and the 10th Air Division at dawn on the day of the operation.

Group West does not consider a destroyer escort necessary. Naval Staff, however, believes that we may not forego destroyers being in rendezvous position - less for reasons of operational safety, as attacks from the enemy are not to be expected, than for reasons of possible navigational support.

Group West and Commanding Admiral, West therefore receive the following order:

With reference to Fleet Gkdos. 185 A I of 15 Oct. 1939: provide for rendezvous position to be taken up at dawn by destroyers in about the strength of a flotilla.

CONFIDENTIAL

20 Oct. 1939

CONFIDENTIAL

At 1230: Conference between Chief, Operations Division, Naval Staff and representatives of the Foreign Office and Armed Forces High Command on questions of economic warfare. For minutes of the conference see War Diary, Part B, Vol.V, Page 34.

Special Reports on the Enemy 20 Oct.

Atlantic:

Great Britain:

The cruisers SHROPSHIRE and SUSSEX are under Commanding Admiral, South Atlantic, according to radio monitoring.

A convoy of ten steamers coming from the Levant put into Gibraltar on 17 Oct. and left again in the evening with eight further steamers, according to radio monitoring.

France:

Continuous patrol and escort activity in the area of the Bay of Biscay and along the West African coast. Two submarines were detected 30 miles southwest of the Azores en route to Brest.

Neutrals:

The United States forbid foreign submarines to stop in U.S. ports and within territorial limits. On the contrary, Argentina intends to treat submarines in the same way as other warships, according to a report from Buenos Aires.

North Sea:

The air reconnaissance over the Firth of Forth reveals all docks to be empty at present. Otherwise only destroyers and patrol boats are established there.

Radio direction-findings established unidentified vessels east of the Firth of Forth and between the Orkneys and Norway. The assemblies of British ore steamers in Narvik continue.

20 Oct. 1939

CONFIDENTIAL

The report on Norwegian warships being employed on escort duties has been corrected by the Naval Attaché to the effect that this escort takes place only within territorial waters.

Baltic Sea:

The submarine alarm from the HIPPER in Danzig Bay in the evening of 18 Oct. has not been confirmed so far by any sighting or location report.

Own Situation 20 Oct.

Atlantic:

No changes.

North Sea:

The result of operations against merchant shipping on 19 and 20 Oct. is insignificant. (Seven steamers stopped, one carrying timber for the Netherlands brought in.)

Baltic Sea:

War against Merchant Shipping:

Nothing to report.

Barrage patrol in the western part of the Baltic Sea is increased by the training boats DAHME and SPREE of the Anti-Submarine School.

Eastern Part of the Baltic Sea:

The Baltic Germans continue to be evacuated from Estonian and Latvian ports.

No incidents so far.

CONFIDENTIAL

20 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

U "37")
U "40")
U "42")
U "45") approaching new Atlantic operational area.
U "46")
and U "48")

U "25" central part of the North Sea) en route into
U "34" northern part of the North Sea) the Atlantic.

North Sea/Channel:

U "16" Channel.

Merchant Shipping.

Own Shipping:

A survey of the disposition of German merchantmen as of 20 Oct. shows the following:

In home waters	535 vessels	63	%	
in neutral ports	275	"	32	%
homeward-bound	23	"	2.9	%
returning from Holland	3	"	0.3	%
en route to neutral ports	3	"	0.3	%
position unknown	1	"	0.1	%
lost	12	"	1.4	%

Three steamers from overseas reached Norway and one steamer returned home from the Netherlands. Four steamers put out from Vigo homeward-bound on 18 Oct.

Since the outbreak of war altogether 70 German merchantmen have so far returned to home waters, 20 of them during the past week. The route generally leads through the Norwegian **islands**. (This fact is transmitted to the pocket battleships).

20 Oct. 1939

CONFIDENTIAL

The captains of steamers complain that vessels often have to wait a very long time at our barrages, as convoys up to 20 vessels are assembled for through-passage. As these convoys consist of large and small, fast and slow, loaded and empty vessels, these **groups** easily disperse and the last vessels frequently do not know where they have to proceed. The long period of waiting also is often dangerous, for ships in ballast during bad weather.

Neutral Shipping:

Seventy-four neutral vessels have so far been examined in Weymouth, the British port of examination for contraband. Weymouth is the port of examination for neutral vessels which report voluntarily, while the vessels seized are directed to the Downs. The clearance of the vessels voluntarily calling at Weymouth is said to be very quick and to take only a few hours.

In order to complicate discovery of contraband shipments to Britain via Sweden, the following measures have been taken in addition to the generally known blockade measures and prohibition of the publication of shipping news: In place of the usual address, from which the destination and the transport firms in question can be seen, identity numbers are given for the transport of goods through Sweden. The goods as well as the respective documents are now marked with letters and figures only. It is expected that in this way consigner and consignee will be protected to a great extent from discovery and that it will make matters difficult for a control system to be set up for the issuance of passes.

In addition to **Goeteberg** the ports of Lysekil and Stroemstad in Oslo Bay are mentioned as ports of loading for contraband. Both ports have good rail connections with the rest of Sweden.

The pocket battleship GRAF SPEE (for information to the DEUTSCHLAND) receives information about the departure of the motorship DRESDEN from Coquimbo (Chile) on 19 Oct. for the purpose of supplying the SPEE with 250 kg. lubricating oil for refrigerating machines, 500 kg. carbonic acid, and 1/2 rations for a pocket battleship covering three weeks. No oil beyond own requirements. Cruising speed 12.5 knots. Action radius 44 days.

(For order and sailing instructions see War Diary, Part B, Vol.V, Page 38).

CONFIDENTIAL

21 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items.

1. Pocket battleships: The GRAF SPEE, since her last appearance on 10 Oct., has refuelled and is still in the South Atlantic. Radio monitoring and news from abroad furnish definite proof that the enemy is concentrating his forces in the South Atlantic. Especially the transfer to Freetown of the battle cruiser RENOWN, the aircraft carrier ARK ROYAL, and light forces, as well as the arrival in the South African area of the heavy cruisers SUSSEX and SHROPSHIRE, reveal the significant diversionary effect caused by the appearance of the GRAF SPEE in the South Atlantic.

The main considerations of Naval Staff are still that the operations of the pocket battleships must not, especially at the present moment, entail their all-out commitment and that an easy gain in prestige by the enemy through sinking a pocket battleship must be avoided by all possible means. It, therefore, appears advisable that the GRAF SPEE shift her operational area into the Indian Ocean as soon as the concentration of enemy forces is completed and has assumed such proportions that it is no longer possible to carry out operations against merchant shipping successfully without all-out commitment.

So as to achieve great effect in the Indian Ocean, the change of operational area must take place entirely unnoticed and lead to an unexpected and severe blow against enemy merchant shipping at the focal point of its traffic.

The time of transfer can be determined only by the pocket battleship herself; Naval Staff, therefore, restricts itself to leaving further operations to the discretion of the Commander in the following form:

Radiogram 1314/22 to the GRAF SPEE, for information to the DEUTSCHLAND:

"Should concentration of enemy task forces with carriers make successes in operations against merchant shipping in the South Atlantic questionable, consider shifting operational area temporarily into the Indian Ocean with a view to dealing a heavy and surprise blow to enemy communications."

The sending out of the two supply ships EMMY FRIEDRICH and DRESDEN

21 Oct. 1939

CONFIDENTIAL

must not entail any operational handicap to the GRAF SPEE. It does not, however, appear necessary to draw attention to this fact, as it may be assumed that the GRAF SPEE, if the situation calls for it, will not meet these steamers herself but will order the ALTMARK there.

2. It can be seen from a report from the Naval Attaché in Rome (Captain Loewisch) that the Duce himself still sides with Germany and, fully convinced that a German defeat would also mean the defeat of Italy, is adhering to the Axis. Mussolini's actions are taken after most careful deliberations and he will attempt to maintain Italy's neutrality as long as is necessary for completion of her armament. Admiral Cavagnari and the Italian officer corps also feel themselves to be definitely on the side of Germany.

3. According to information from the Foreign Office, the Russian shipments of timber to Britain are said to be carried by British or neutral vessels from Murmansk, so that seizure or sinking of the steamers by German naval forces will not be detrimental to Russian interests. In concluding the timber agreement with Great Britain the Russians by no means have the intention of putting German economic warfare at a disadvantage.

Chief, Naval Staff orders an immediate investigation into the question of sending out submarines for operations against merchant shipping on the north coast of Norway, directed at ore and timber shipping to Britain.

4. Furthermore, considerations are to be drawn up on the possibilities of a submarine operating in conjunction with the pocket battleship DEUTSCHLAND.

5. As a result of the favorable experiences of our returning steamers, the inauguration of merchant traffic to countries overseas with German and neutral steamers appears very promising. The opinion held by Naval Staff on the subject will be submitted to the Ministry of Transportation, which will take the further steps necessary.

Special Reports on the Enemy 21 Oct.

Atlantic.

CONFIDENTIAL

21 Oct. 1939

CONFIDENTIAL

Great Britain:

The Naval Attaché in Buenos Aires reports that convoys (carrying meat and grain) will leave Montevideo on 21 or 22 Oct. and about 28 Oct.; an armed passenger steamer (acting as armed merchant cruiser?) will be in the first convoy. (Transmitted to the pocket battleships.)

The cruisers NORFOLK and SUFFOLK passed Suez southbound on 14 Oct. (Escort of transports in the Indian Ocean?) (Transmitted to the pocket battleships).

A reliable report states that convoys in the South Atlantic follow a course which passes the center of the line connecting Freetown with Ascension. (Transmitted to the pocket battleships).

Reuter reports an engagement between a merchantman and a German submarine in the course of which the submarine is said to have been damaged and sunk by a destroyer which joined in the engagement. (It is possible that this was the steamer STONEPOLE; see 13 Oct.).

France:

Destroyers and submarines are searching for German steamers and submarines in the Madeira - Canary Islands - Cape Verdes area.

Merchant shipping along the Spanish and Portuguese coasts proceeds at a distance of about 80 to 100 miles from the coast, according to previous observations.

North Sea:

The Radio Monitoring Service now establishes that the REPULSE was off Aberdeen en route from Rosyth to the north on 18 Oct. The RODNEY is established to be on the west coast of Scotland, the HOOD in the area of northern Scotland. (Transmitted to the pocket battleships).

In the forenoon radio monitoring and air reconnaissance report northeast of the Humber, west of the British declared area, a convoy consisting of 14 steamers, one cruiser, and destroyers; a further small convoy is detected off the Wash.

21 Oct. 1939

CONFIDENTIAL

For survey of radio monitoring covering the activity of the main enemy units up to 18 Oct., disposition of forces, etc., see Radio Monitoring Report No. 7/39, Vol. "Radio Monitoring Reports".

Own Situation 21 Oct.

Atlantic:

Nothing to report.

The CITY OF FLINT seized by the DEUTSCHLAND put into Tromsøe.

North Sea:

In view of the enemy convoy detected on the east coast of England, Group West requested permission for air forces to attack.

Permission was granted immediately as there are no objections whatever to planes attacking convoys without warning and destroying them, exactly as in the case of submarines.

The attack by three Ju 88's of the 10th Air Corps and the 1st Squadron of the 406th Group (ten He 115's) was unsuccessful due to unfavorable weather conditions and strong fighter and anti-aircraft defense. While the Ju 88's encountered only defense of medium strength, the ten He 115's met with very heavy British defense which had been forewarned. Four planes were shot down by the British or forced to make an emergency landing.

It must be stated that basically the main target in the convoy is not the escort vessel but the escorted merchantman. Contrary to this, the Ju 88's in their raid on 21 Oct. attacked only the escort cruiser (anti-aircraft cruiser), without scoring a hit. An exception to this basic principle is only when a plane carrying a 500 kg. bomb encounters a direct escort of battleships and aircraft carriers.

21. Oct. 1939

CONFIDENTIAL

The 2nd Air Force carried out air reconnaissance over the west of Scotland and its bays without sighting any warships.

Reconnaissance of Scapa could not be carried out. (For Air Force report see Vol. "Air Situation" 22 Oct.).

Baltic Sea:

Western Part of the Baltic Sea:

Patrol boat "701" struck a mine and sank during barrage patrol in the Sound (only five survivors).

Further details are not known. The loss may have been caused by running on to our own minefield, by striking a mine which had drifted as a result of the bad weather, or by a drifting mine which had not been rendered inactive.

The operation against merchant shipping by minelayers, the 11th Submarine Chaser Flotilla, and the 9th Patrol Boat Flotilla in the Kattegat and eastern part of the Baltic Sea resulted in only slight successes.

Submarine Situation.

Atlantic:

No changes.

En route to the operational area:

U "25" in the northern part of the North Sea.

U "34" north of Scotland.

North Sea:

U "16" in the Channel

U "31" en route for torpedo mine operation (Loch Ewe).

21 Oct. 1939

CONFIDENTIAL

War against Merchant Shipping by Submarines.

According to radio monitoring, a British destroyer **Reported** that she is at the western outlet of the Channel over a German submarine; she attacked and probably destroyed **her** (U "40" ?).

The destroyer FORBIN reports a submarine off Cape St. Vincent (U "46"?).

Radio Daventry reports the sinking of the Norwegian tanker DEODATA (3,293 tons) and a Rumanian tanker (of 7,000 tons).

Two lifeboats of the steamer CLAN CHRISTHOLM (7,256 tons) were picked up 200 miles west of Cape Villano (U "46"?).

Merchant Shipping.

Three steamers returned from the Netherlands.

The steamer POSEIDON, stopped by two auxiliary cruisers in the Denmark Strait, **received** orders to attempt an escape and otherwise to scuttle herself.

Items of Political Importance.

The German Legation in Quito reports:

The safety zone agreed upon at Panama has been put into force in the Ecuador sector by Government decree.

Roosevelt's proclamation forbidding submarines of belligerent powers to call at U.S. ports and making this liable to penalty, is lawfully incontestable as it is based on paragraph 8 of the Neutrality Law in force. In view of the present situation, however, this measure is directed against Germany exclusively, as the prohibition for armed merchantmen, which is provided for in the same paragraph, was not decreed.

21. Oct. 1939

CONFIDENTIAL

The pocket battleship GRAF SPEE (for information to the DEUTSCHLAND) receives information on the sailing order and instructions issued to the tanker EMMY FRIEDRICH carrying gas, lubricating oil, carbonic acid, arctic oil, and supplies for the GRAF SPEE. (See War Diary, Part B, Vol.V, Page 37).

CONFIDENTIAL

22 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items:

Discussion on the memorandum "Preliminary considerations of Naval Staff on the problems of economic warfare and on the establishment of a uniform control organization."

The subsequent discussion with Chief, Armed Forces High Command results in basic agreement. Chief, Armed Forces High Command realizes the importance of a uniform control organization comprising all branches of economic warfare and gives his approval to the establishment of a central control for economic warfare in the Armed Forces High Command. Out of fundamental tactical considerations, however, Chief, Armed Forces High Command wishes to avoid the term "economic warfare" in the official order and to adopt instead the term "war against merchant shipping" (which, however, does not cover the whole problem of economic warfare.)

The rigid organization of an "Office for Economic Warfare" suggested by Naval Staff is first to be established in a loose form as "Special Control Staff" in the Armed Forces High Command. A proposal to this effect is to be submitted to the Fuehrer as soon as possible (see 23 Oct.)

The request made by the Navy for an Admiral to act as Chief of this "Special Staff" is complied with. Naval Staff has recommended that Admiral S c h u s t e r take up this post.

For instructions of Chief, Naval Staff to Group West with respect to future warfare in the North Sea (A I Op. 302/39 Gkdos., Chefs. of 20 Oct.) see War Diary, Part C, Vol. II.

1. The possibility of the enemy attempting more vigorous warfare in the North Sea makes it all the more imperative for our own surface forces and submarines to continue intense and versatile operations.
2. In addition to previous control of merchant traffic and minelaying operations the following are targets for attack:
 - a. fishing in the Hoofden (northeastern entrance to the English Channel. Tr.N.) and on the east coast of the southern and central parts of England;

CONFIDENTIAL

22 Oct. 1939

CONFIDENTIAL

- b. shipping from Holland and Belgium to Britain and along the English coast;
- c. escorted and unescorted traffic between Norway and Britain.

3. Surprise thrusts by light forces (PT boats, destroyers), sweeps by battleships and submarine operations - danger from submarines and mines on outgoing routes to be taken into account. Intensification of enemy submarine activity must be expected. Constant minesweeping, continuous air patrol of the departure areas, extension of submarine chase, laying of further anti-submarine barrages.

4. The initiative in warfare in the North Sea must be retained, making use of all possibilities for defense and surprise even if it entails a certain risk; losses must be inflicted on the enemy operationally as well as with regard to prestige, and relief of Atlantic warfare must be achieved.

Special Reports on the Enemy 22 Oct.

Atlantic.

Great Britain:

Radio monitoring **established** the HERMES to have taken up communication with Freetown. The cruisers YORK, BERWICK, EMERALD, ENTERPRISE, and ORION are in the Canada - West Indies area.

The cruiser ACHILLES is reported by the Naval Attaché in Buenos Aires to be in Punta Arenas (20 Oct.).

The departure of German merchantmen from Mexico (the EMMY FRIEDRICH) has given rise to numerous urgent radio messages in the Bermuda area.

In the Mediterranean the battleship RAMILLIES put into Alexandria on 21 Oct.

CONFIDENTIAL

22 Oct. 1939

CONFIDENTIAL

France:

The radio messages intercepted offer an insight into the patrol and convoy activity along the west coasts of Spain and France. The cruiser ALGERIE and the battleship PROVENCE are established southwest of Gibraltar.

Some positions of convoys are detected (and transmitted to the pocket battleships).

The Admiralty informs two submarines of the 4th Division of the position of a German pocket battleship on 14 Oct. at 1400 at 48°17' N, 43°37' W.

The position given corresponds to the area of the DEUTSCHLAND at that time and presumably came to the attention of the French Admiralty via neutral steamers (pocket battleships informed).

North Sea:

Radio Monitoring Service establishes that Commanding Admiral, Home Fleet probably put into Scapa in the morning of 22 Oct. The mine-cruiser ADVENTURE is established for the first time in the Newcastle area. This observation indicates a mine offensive in the North Sea or intensification of mining in the British coastal declared areas.

In this connection it is noteworthy that the enemy, when repeating the announcement of the German declared area, has purposely shifted the northwestern corner of the declared area westward by three degrees, possibly in order to lay mines of his own off the west side of our declared area, assuming the existence of barrage gaps. As a consequence the announcement of the German declared area is openly repeated by Germany, giving the correct positions.

The reconnaissance flown by Commander, Naval Air over the British coast reveals that the sea marks are nearly all at peacetime positions and are operating with identification and in strength, with a few exceptions, as in peacetime. Lights on the Dutch coast are also burning as in peacetime.

CONFIDENTIAL

22 Oct. 1939

CONFIDENTIAL

Own Situation 22 Oct.

Atlantic:

The DEUTSCHLAND in radiogram 1932/22 reports that the WESTERWALD was missed in grid square A D 6911 (100 miles east of Greenland) and gives Point "Grau" west of Greenland as her new objective. Oil supplies on hand 1,500 tons, lubricating oil one half.

One hour later the WESTERWALD confirms the radiogram of the DEUTSCHLAND as well as Point "Grau".

It may be expected that the DEUTSCHLAND will be in the newly chosen operational area on about 30 Oct.

The prize CITY OF FLINT seized by the DEUTSCHLAND receives orders in Tromsø to sail for Germany through Norwegian territorial waters and via the Great Belt.

North Sea:

Six destroyers carried out a further thrust against merchant shipping in the Skagerrak, supported by the Naval Air Force. Air reconnaissance reveals numerous steam trawlers in the Dogger Bank and Hoofden (north-eastern entrance to the English Channel. Tr.N.) areas in addition to the wrecks of an He 115 60 miles east of the Humber and of a Do 18 20 miles east of Hartlepool, which are sunk. (Some members of the crew of the He 115 which was shot down have been rescued, according to Radio Daventry).

Baltic Sea:

In connection with the sinking of patrol boat "701" the area north and south of the declared area is being checked for mines which have drifted.

During operations against merchant shipping two Latvian steamers are seized.

22 Oct. 1939

CONFIDENTIAL

Eastern Part of the Baltic Sea:

The manning of Russian bases in the Baltic States is continued as planned. The cruiser **KIROV** is in Riga.

Submarine Situation 22 Oct.

Atlantic:

No changes.

U "34" west of the Hebrides en route for operations against merchant shipping west of the Channel.

U "53") put out for the Atlantic operational area;
U "26") for the present operations against merchant shipping west of the Channel, later in the Mediterranean.

U "25" west of the Hebrides en route for operations against merchant shipping west of the Channel, later in the Mediterranean.

North Sea:

U "21" en route for torpedo mine operation on the east coast of Britain (Firth of Forth).

U "31" en route for torpedo mine operation on the west coast of Britain (Loch Ewe).

U "60" put out into the North Sea operational area through the Little Belt. Position for attack southwest of Lindesnes.

War against Merchant Shipping by Submarines.

The British press reports the sinking of the Swedish steamer GUSTAV ADOLF (1,450 tons) north of Scotland. (U "34"?)

CONFIDENTIAL

Merchant Shipping 22 Oct.Own Shipping:

Two steamers returned home from overseas.

According to her last report of a British prize crew coming aboard (northwest of Iceland), the German steamer POSEIDON must be considered lost. Following the order transmitted to the POSEIDON in plain language to scuttle herself if necessary, the British auxiliary cruiser threatened "you will be shot" in case the ship should be scuttled. (The original text reads "Erschiessen". The threat may have been made in German as is said to have been the customary procedure. Tr. N.) As a consequence, German merchant shipping is to receive instructions from Naval Staff not to be intimidated by such threats. It may be added that this incident can be exploited for propaganda purposes.

The news of the departure of the German tanker EMMY FRIEDRICH from Tampico (for the purpose of supplying the SPEE) for Europe (cleared for Malmoe) is being spread by Havas and Radio Daventry.

Neutral Shipping:

According to an agent's report from Bergen dated 20 Oct., all Norwegian whaling ships have put out in order to be assembled into a convoy in the vicinity of Aalesund.

Seven British steamers of, on the average, 4,000 tons each are reported to be carrying timber from Murmansk to **Britain**.

The British steamer JESSIE, camouflaged as a Finnish vessel, was lying in the roads of Oskarshamn (north of Kalmar) on 21 Oct., according to a report from the Naval Attaché in Stockholm.

The German Legation in Riga reports certain neutral (Norwegian) firms which are entrusted by the British Government with the forwarding and clearance of trans-

CONFIDENTIAL

22 Oct. 1939

CONFIDENTIAL

ports of foodstuffs from the Baltic States to Britain via Trondheim. The report refers to increasing Latvian - Lithuanian transit traffic to Britain via Sweden which is apparently already leading to a decrease in exports to Germany.

Measures are in progress by the Foreign Office and the Ministry of Economics to bring about a change in this intolerable state of affairs.

23 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items.

1. Instructions from Group West for further operations by the forces of Commanding Admiral, West (Group West Gkdos. 203/39 A I Chfs. of 21 Oct. 1939):

a. Frequent use of destroyers for the war against merchant shipping in and off the Skagerrak as well as off the southwest coast of Norway.

b. Preparations for the PT boat operation against the Thames are not to be continued; an operation against the Humber is to be planned instead.

c. Minelaying operations by destroyers against the English coast (primarily the Thames) in the next new moon period.

d. A thrust by battleships against merchant shipping at the beginning of November; enemy forces to be tied down and lured from their bases.

Chief, Naval Staff agrees in principle with the operational plans of Group West. They correspond in the main to the instructions in the meantime issued to Group West. It is to be regretted, however, that the thrusts planned are out of question during the current new moon period and that, therefore, valuable time will pass. According to a teletype report from the Group, the change in the PT boat operation was effected in order to achieve a more lasting effect by a larger-scale operation at an important point in the south and because the operational **possibilities of** PT boats at this time of the year are very questionable, as experience has once more proved.

2. Reports from **England** state that supplies of pit props available in **England** are apparently very low and that dependence on imports, as during World War I, is of decisive importance for British war economy. Approximately 63 % of the imports of pit props during the first six months of 1939 came from the Scandinavian and Baltic States. Even if it is possible to change over to Canada and the U.S.A. to a great extent, this will nevertheless require considerable time. It is, therefore,

CONFIDENTIAL

23 Oct. 1939

CONFIDENTIAL

imperative that any lumber imports from the Scandinavian and Baltic States be stopped. Special importance is, therefore, to be attached to sending out submarines against the timber trade from Norway and Murmansk.

The Groups and Commanding Admiral, Submarines receive the following basic instructions:

"The following are to be treated as enemies, with all consequences resulting therefrom, also in respect to war against merchant shipping:

- Firstly: Great Britain including all colonies, mandates, protectorates, India as well as the Dominions of Canada, South Africa, New Zealand and Australia. The Irish Free State is neutral.
- Secondly: France including all colonies, protectorates and mandates. The Tangiers area is neutral.
- Thirdly: Egypt.
- Forthly: Iraq.

Commander in Chief, Navy in A II 2246/39 Gkdos. of 21 Oct. 1939 orders that Group Baltic in its previous form be dissolved, as it appears expedient for the command organization in the Baltic Sea to be centralized, following the conclusion of the principal operational defense tasks in the Baltic Sea:

1. Group Baltic will be attached to Baltic Station with Kiel assigned for its base, at a time to be agreed upon between Group Baltic and Baltic Station.
2. Commanding Admiral, Baltic Station will become at the same time Commanding Admiral, Group Baltic while retaining his present post.
3. Commanding Admiral, Defenses, Baltic in his capacity of Commanding Admiral, Naval Forces, Baltic will conduct naval warfare in accordance with the instructions of Commanding Admiral, Baltic Station.
4. Commanding Admiral, Group Baltic will investigate further possibilities of restrictions in the organizational sphere

CONFIDENTIAL

23 Oct. 1939

CONFIDENTIAL

(particularly as regards the intelligence organization.

Special Reports on the Enemy 23 Oct.

North Sea:

Brisk air reconnaissance over the east coast of England by enemy formations. Radio traffic increased in the course of the evening and a lengthy radio message was transmitted from Rear Admiral, Rosyth to all units of the Home Fleet and the Admiralty.

In the morning of 23 Oct. a steamer three miles north-east of the Humber lightship reported being torpedoed, thus having fallen victim to one of our mines.

Enemy submarines in the Heligoland Bight, off Norderney, and Amrumbank.

Atlantic:

Great Britain:

According to radio monitoring, the cruisers GLASGOW and NEWCASTLE are returning from Canada to the Channel, apparently as convoy escorts.

There is a British cruiser off Vera Cruz (Mexico) (shadowing the EMMY FRIEDRICH?)

The British Air Ministry announces two attacks by planes on submarines (one in the North Sea and one in the Atlantic).

The British Admiralty plans to set up a "Defense Squadron" consisting of auxiliary cruisers for the protection of merchant shipping and for the pursuit of enemy raiders and submarines, according to Italian reports.

(Converted passenger steamers also among the auxiliary cruisers).

France:

Cruisers of the 4th Cruiser Division supported by air forces are on patrol at sea.

CONFIDENTIAL

23 Oct. 1939

CONFIDENTIAL

Commanding Admiral, Atlantic Fleet is apparently at sea in the Brest area.

A submerged submarine is reported in the Channel between Cherbourg and Plymouth. (?)

It is apparently planned to establish a submarine base in Diego Suarez (Madagascar).

Baltic Sea:

Western Part of the Baltic Sea:

Two submarine locations south of Kjels Nor indicate the presence of two enemy submarines in Kiel Bay. The chase has been taken up but no definite success has been achieved yet. Kiel Bay is at present closed for exercises.

The appearance of enemy submarines in the Baltic Sea was to be expected. If the enemy did not decide to send them into the western part of the Baltic Sea until now, this was due to the fact that until now the risk appeared to be too great; however, observation of the German barrage patrols and the brisk merchant shipping moving off the Swedish coast, as well as the fact of the successful break-through of the Polish submarine ORZEL, has given him the impression in the meantime that a penetration into the Baltic Sea is quite possible without great risk.

The fight against the submarines which have now penetrated must be carried out with all available means and must lead to the destruction of all submarines detected. Such a success would probably obviate a further attempt to break through.

It may be expected that an attack on merchantmen or small vessels will not take place for the present. The enemy submarines will move with greatest caution and reserve in the western part of the Baltic Sea and attack only worth-while targets, battleships, and cruisers (especially the HIPPER and the BLUECHER), whose destruction would mean an essential gain in prestige for Great Britain and thus offset her own serious losses.

23 Oct. 1939

CONFIDENTIAL

For intensification of submarine chase in the Baltic Sea, three North Sea minesweepers of the 1st Minesweeper Flotilla equipped with echo-ranging set will be placed at the disposal of Group Baltic for attacking submarines.

Own Situation 23 Oct.

Atlantic:

The GRAF SPEE reports sinking the steamer TREVIANON (5,299 GRT) in grid square F V (approximately 500 miles west of German Southwest Africa) and unsuccessfully chasing an unidentified steamer.

(In connection herewith Radio Portishead announces that an unidentified steamer reported at 4.3' E 16° S on 22 Oct. that she was being fired on.)

The SPEE further reports that she still has 8,000 tons of heavy Diesel oil (i.e. nearly $\frac{2}{3}$ of the initial supply), that she will require a lengthy dockyard repair in January and for this purpose plans to break through into home waters. No supplies are required before then. Her next plan is to refuel from the ALTMARK.

Since the SPEE reported on 30 Sept. that she had sufficient arctic oil and carbonic acid for her refrigerating plant only until the end of November, the supply ships EMMY FRIEDRICH and DRESDEN in the meantime left Tampico (on 20 Oct.) and Coquimbo (on 19 Oct.), on orders of Naval Staff. For the present these steamers will not be re-directed but will continue passage as reserves.

The pocket battleship DEUTSCHLAND is informed of the appearance of British warships (presumably auxiliary cruisers) to patrol the Denmark Strait north of Iceland.

North Sea:

The operation of the 1st and 4th Destroyer Flotillas, which at first had been suspended due to fog, is started over 56° 30' N. as planned. Further reports have not yet been received.

CONFIDENTIAL

23 Oct. 1939

CONFIDENTIAL

Baltic Sea:

Submarine chase in the western part of the Baltic Sea.
War against merchant shipping continued.

Submarine Situation.

Atlantic:

No changes.

North Sea:

Nothing to report.

U "24" put out for torpedo mine operation in grid
square 5460 A N.

U "56") left for the Orkneys operational

U "59") area

U "58")

Merchant Shipping.

Two steamers returned home from overseas.

A Dutch report states that, as a result of a new regulation by the British Government, a sort of "Trade Pass" is being introduced which is to reduce the stay of neutral vessels in British control ports to four days.

Similar German preparations for the introduction of "Passes" are being made by Naval Staff.

Naval Staff, Service Division, Organization Branch receives instructions for equipping and making available a tanker carrying 6,000 cbm of gas and stores, fuel, and supplies for three months' requirements of a pocket battleship (installations for supplying oil-also to submarines - in tow), for the purpose of creating supply facilities for "Base North". The vessel is to resemble neutral tankers as much as possible, so that she can pass Baltic Sea outlets and Norwegian **islands** without attracting attention.

CONFIDENTIAL

23 Oct. 1939

CONFIDENTIAL

At 1700: Conference between Chief, Naval Staff and the Fuehrer in the presence of Lt. General K e i t e l :

1. Report on the opinion of Naval Staff regarding the importance of economic warfare and the establishment of a uniform control organization, on the basis of memorandum "Preliminary Considerations on the Problems of Economic Warfare". The Fuehrer gives his approval and will exercise his authority to have economic warfare conducted under the control of Armed Forces High Command (Special Staff for Economic Warfare).

2. Chief, Naval Staff reports on leaving the DEUTSCHLAND in the Atlantic. The Fuehrer agrees that the DEUTSCHLAND shall not return until later when worth-while targets have been found.

3. The Fuehrer warns against sabotage by merchantmen passing through the Kiel Canal.

4. Chief, Naval Staff reports on the experiences gained from the last air attack by He 115's on a British convoy.

(For details see minutes of Chief, Naval Staff in War Diary, Part C, Vol. VII). For decree by the Fuehrer on the establishment of the Control Staff see War Diary, Part C, Vol. XII).

CONFIDENTIAL

24 Oct. 1939

CONFIDENTIAL

News from Britain speaks of block ships and barrage vessels being fitted up in British shipyards. The British Admiralty plans to sink these vessels in the mouths of German rivers so as to block German bases. (Group West is informed of this).

The possibility of such a plan by Britain is not out of question. The prospects for approaching German river mouths unnoticed and effectively closing off the bases with block ships must, however, be regarded as very slight. For the present there seem to be greater prospects of success for blocking the Kiel Canal by sinking a merchantman camouflaged as a neutral vessel and for sharp thrusts by PT boats into the river mouths for attacks on surface forces and for the laying of mines.

From statements of Ambassador Ritter, who has up to now been in Moscow for commercial negotiations, and of the Russian Ambassador in Ankara it can be seen that, in full agreement with the policy of Germany, Russia is willing to fulfil all obligations assumed during the treaty negotiations. Furthermore, Russia will never tolerate an actively hostile attitude on the part of Turkey (nor any action taken by Turkey against Bulgaria) and plans the continuation of political pressure on her to change her attitude towards Russia and Germany. Russia will, in particular, not permit the passage of British and French warships through the Dardanelles.

Special Reports on the Enemy 24 Oct.

Atlantic:

Great Britain:

The GLORIOUS and the MALAYA put into Aden on 22 Oct. and left again on 23 Oct. The ships are apparently being used for convoy escort in connection with troop transports from India. (Pocket battleships have been informed).

Convoys in the Atlantic are making for a point 300 miles east of the island of San Miguel (Azores), according to an agent's report.

CONFIDENTIAL

24 Oct. 1939

CONFIDENTIAL

The Naval Attaché in Madrid reports:

"British destroyers guarding Gibraltar (one off Cape Vincent, one off Chipiona) are patrolling 10 to 20 miles off the coast. Patrol vessels frequently change their paint and position lights and have lately been approaching Ceuta closely in order to prevent the penetration of submarines."

France:

According to radio monitoring, the 4th Cruiser Division is on patrol in the area 800 miles west of the Channel. A convoy is to be met. The 1st Battleship Division and the 6th Destroyer Division are also on escort duties 300 miles west of Brest.

(Pocket battleships informed)

North Sea:

The Radio Monitoring Service **established** the FURIOUS and the PEGASUS in Scottish waters and the cruiser EDINBURGH in the Rosyth area on 23 Oct.

Two British submarines were detected off Andenes on the north coast of Norway (Vester Aalen), according to a report from Trondheim. Numerous enemy planes flew in on various courses over the North Sea islands in the evening of 24 Oct. (Detected by noise.) Leaflets were dropped over places in northwest Germany. Anti-aircraft fire was unsuccessful.

Own Situation 24 Oct.

Atlantic:

See War against Merchant Shipping.

North Sea:

The operation against merchant shipping under Commander, 1st Destroyer Flotilla was completed according to plan. Two neutrals

24 Oct. 1939

CONFIDENTIAL

(one Swede, one Finn) carrying contraband to **England** were seized west of Lindesnes during the night and 14 other neutrals were stopped and released. There was brisk traffic moving eastward; westbound traffic was slight and mostly moving within territorial waters.

Submarine chase by units of Commanding Admiral, Defenses, North and formations of Commander, Naval Air, West, the latter from 1100 until dark, was without result.

The reconnaissance of Scapa, Oban, Firth of Forth, and Liverpool planned for 24 Oct. had to be broken off because of the weather.

Baltic Sea:

The submarine chase in the western part of the Baltic Sea has not yet brought any conclusive result. Minesweepers with echo-ranging set are operating in the area west of Gdjedser. In addition to three minesweepers the STRAHL has been ordered from the North Sea into the Baltic Sea and placed at the disposal of Group Baltic. The commitment of the STOERTEBEKER is left to the discretion of Group Baltic.

War against Merchant Shipping.

No further results.

Russia:

The disposition of forces in the Baltic States is as follows:

Reval (Tallinn): The flotilla leader MINSK with three destroyers and seven submarines.

Baltic Port: Six submarines.

Oesel: One destroyer, one transport.

Liepaja: The cruiser **KIROV** and two destroyers.

CONFIDENTIAL

24 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

No changes.

North Sea:

U "61" left for the North Sea operational area via the Little Belt and

U "13"

U "57" via the Kiel Canal.

War against Merchant Shipping by Submarines.

U "37" reports sinking two steamers off Gibraltar and destroying a decoy vessel. She was depth charged for seven hours and is starting on return passage, as fuel supplies are exhausted. (For radio message see Part B, Vol. V).

Land's End transmits a warning: the steamer TAFNA (4,413 tons) torpedoed west of Gibraltar (U "37").

Merchant Shipping.

Own Shipping: One steamer returned home from Pernambuco. Three steamers from overseas reached **Norway**.

According to a report just received, the Lloyd steamer MINDEN (4,165 GRT) was seized by a British destroyer. The vessel was scuttled. Her position was 100 miles southeast of the southern point of Iceland. The prize CITY OF FLINT put into Murmansk in the evening of 23 Oct. The vessel was stopped there by the port authorities and the German prize crew interned. The Naval Attaché in Moscow has been instructed to effect the cancelation of the internment and the release of the prize and also to see that supplies are replenished and orders issued to the prize officer to proceed home.

CONFIDENTIAL

24 Oct. 1939

CONFIDENTIAL

As a result of the incident with the steamer POSEIDON on 22 Oct., the following coded warning report No. 18 is transmitted to all German merchantmen on 24 Oct.:

"A British warship threatened to shoot the crew of a German steamer in case the ship **was** scuttled Stop Do not let yourselves be stopped by threats from doing your duty Stop Any British commander will shrink from carrying out a crime violating International Law Signed Naval Staff".

Holland Traffic:

On 23 Oct. the Minister of Transportation **was** given permission, on request, to carry on traffic with Dutch ports using vessels up to approximately 2,000 **GRT** and, for the time being, not more than one vessel daily. Group West has been informed.

Neutral Shipping.

New reports confirm brisk traffic consisting of steamers carrying foodstuffs from the Baltic States to Sweden, obviously bound for **the British Isles.**

After a corresponding announcement to the German and Russian Naval Attachés, it is planned to extend the war against merchant shipping to the Gulf of Finland (west of line Reval).

A press report states that in reply to demands made by shipping companies, the British Government has announced an indemnity of £ 3 per **GRT** per day of waiting for convoys to be assembled.

The GRAF SPEE has ordered the supply ship **ALTMARK** to shift rendezvous line "2" westward by 600 miles.

afternoon: Conference with Field Marshal General Goering on operations by the Naval Air Force. Chief of Staff, Naval Staff and Chief, Operations Division, Naval Staff participated.

For details of the discussion and the reply by Chief, Naval Staff see War Diary, Part C, Vol. V.

CONFIDENTIAL

25 Oct. 1939

CONFIDENTIAL

Commander in Chief, Navy flies to the Island of Sylt to pay a visit to naval air forces stationed there.

Items of Political Importance 25 Oct.

See Political **Review** No. 51.

Special Items.

Ireland:

Intensification of British pressure on Ireland.

Spain:

The attitude of the Government and the views held by the Spanish Army are pro-German; the attitude of the people is to some extent undecided. Economic circles are in favor of shipments of material to the Western Powers.

Russia:

A firm and definite attitude towards Turkey.

Turkey:

Considerable British loan to Turkey, in addition to extensive deliveries of armaments (Turkey is receiving the material destined for Poland). Great Britain is apparently resolved to assist Turkey with all possible means.

Great Britain begins the control of neutral shipping in the direction of the Dardanelles.

This measure is creating anxiety in Turkey and indignation in Russia.

Special Reports on the Enemy 25 Oct.

Atlantic:

Great Britain:

The Radio Monitoring Service and a reliable agent's reports

CONFIDENTIAL

25 Oct. 1939

CONFIDENTIAL

reveal new information on convoy movements (on 23 Oct. a convoy of 23 vessels, including eight tankers, off Gibraltar on easterly course; between 16 and 23 Oct. a convoy of 24 vessels reached Canada).

Freetown definitely appears as the main base for escort service across the South Atlantic. At present there are more than 60 merchantmen lying in Freetown and more than 80 in Dakar. The SHROPSHIRE and a number of other vessels put out from Freetown on 23 Oct. Task Force "K" (probably the RENOUN and the ARK ROYAL) received operational instructions on 22 Oct. in connection with the emergency call of the steamer NALON which was chased in vain by the SPEE.

During the week of 16 to 21 Oct. eleven freighters are said to have been beached after damage by torpedoes or mines along the west coast of England between Swansea and Pembroke (northern part of the Bristol Channel).

France:

Forces of the Atlantic Squadron are to put into Casablanca on 26 Oct. for quick replenishing of supplies. The cruiser ALGERIE put into Casablanca on 23 Oct. The cruiser TOURVILLE also, together with Commander, 6th Squadron, is once again on patrol duty west of Gibraltar on 25 Oct.

Radio monitoring **established** the position of convoy HX "5", which is to be brought in by the 4th Cruiser Division, at 1900 to be 800 miles west of Land's End, on easterly course, speed 9.5 knots.

North Sea:

Brisk air activity in the area of Scotland. A number of vessels has been established in the Orkneys - Shetlands area. The port of Blyth, north of Newcastle, appears to be used as a submarine base, according to radio monitoring.

News of neutral coastal vessels being bought and small civilian craft being taken over by the British Navy indicates further large expansion of British anti-submarine defenses of the patrol fleet.

According to a report from a reliable and trusted agent, the damage inflicted on the cruiser SOUTHAMPTON in the course of the last air attack on the Firth of Forth is said to be so severe that the ship will not be ready for operations for several months. Other vessels, too, are said to have suffered serious damage.

25 Oct. 1939

CONFIDENTIAL

Reuter reports the sinking of a Greek steamer of 6,000 tons in the North Sea by a submarine. However, the circumstances surrounding this loss indicate that the vessel struck a mine close to the British coast.

Own Situation 25 Oct.

Atlantic:

see War against Merchant Shipping.

North Sea:

Submarine chase in the Heligoland Bight is continued without success so far.

Air reconnaissance **established** extensive fishing and a large number of merchantmen west of the declared area.

Baltic Sea:

Submarine chase in Kiel Bay and the western part of the Baltic Sea **did** not result in any further observations and locations. The laying of the net barrage in the Sound **was** completed.

Danzig Bay:

Minesweeping in the Polish closed area northeast of the southern point of Hela has been completed.

War against Merchant Shipping.

Some neutral vessels **were** brought in for search. In the eastern part of the Baltic Sea the area for operations against merchant shipping **was** extended north of 56° as far as the Aland Sea and in the Gulf of Finland up to the longitude of Reval (Tallinn). The neutral zone of the Aland Islands is to be respected and the Moon Sound and Irben Strait are not to be crossed.

CONFIDENTIAL

25 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

U "48" returning from a long-range operation put into Kiel. Shipping sunk: 36,900 tons. Otherwise no changes.

North Sea:

U "16" (Lieutenant (s.g.) Wellner) **reported** off Dover severe damage so that the submarine will have to be scuttled. Further reports have not yet been received. Commanding Admiral, Submarines reports in connection with this loss that the submarine was only supplied with code data to a restricted extent. There were no secret grid square charts. The situation permits the assumption that secret matter was destroyed. The submarine did not reply to an inquiry as to whether minelaying was carried out. It is presumed that the assignment was not carried out. The area off Dover must nevertheless be regarded as mined for the present. U "60" **broke** off passage owing to engine trouble and is returning to Kiel via the Little Belt.

Otherwise no changes.

War against Merchant Shipping by Submarines.

London radio **announced** the sinking of the British vessels MENINRIDGE (2,474 tons) and CADBURY (3,528 tons) (U "37"?)

U "46" **transmitted** reports on the presence of an enemy vessel off the Berlenga Islands and U "25" **received** orders to operate against this.

Merchant Shipping:

The German steamer PALIME which returned from Murmansk **reported:**

CONFIDENTIAL

25 Oct. 1939

CONFIDENTIAL

"In addition to the German steamers as known, there were seven British and several Norwegian and Latvian vessels with cargoes of wood lying in Murmansk. When the German steamers put out, the foreign vessels were held back until the German ships were safe."

The British Minister for Blockade announced in the House of Commons that altogether 338,000 tons of merchandise destined for Germany were confiscated in the first six weeks of the war.

The pocket battleships receive the following information:

1. Steamers coming from the Antilles are presumably escorted from Trinidad to Dakar and northward close to the coast.
2. Convoys from the west make for the Channel approximately on the latitude of Brest. The following have been observed:

Bringing in of important convoys by heavy ships, meeting by cruisers from 30° W, and escort by submarines.

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

At 1100 Conference on the Situation with Chief, Naval Staff.

Special Items:

1. The Foreign Office once more requests an investigation as to whether it will be possible to postpone for the time being the request made by the Navy to restrict recognition of Sweden's territorial limits to only three miles. It is not a matter of formal objections but of political and economic ones, as the time for the German statement is felt to be very unfavorable in view of the trade negotiations commencing at the beginning of November. Naval Staff can in no way **recognize** the objections by the Foreign Office. This is a German demand clearly based on International Law, as the Swedish claim for four miles does not find any legal support and is also not acknowledged by our enemies. Any weakness towards neutral countries must be rejected most severely, especially as the legal aspect is definitely in Germany's favor. By order of Chief, Naval Staff the Foreign Office is to be induced to advise the Swedish Government of the German statement as soon as possible.

2. The pocket battleship ADMIRAL SCHEER will not commence basic repairs until February or March 1940; duration five to six months. The interim dockyard period in December will be cut down to three weeks. Even after this short overhaul her speed will, however, still be only 22 knots.

Items of Political Importance.

A stern note has been handed to Great Britain by the Soviet Government in reply to the British notes concerning contraband; the British control system is rejected **with the statement that Soviet Russian merchantmen, which are all property of the State, may in no way be subjected to any measures of force.** (For text of the note see Foreign Press No. 488).

Changes in Navy Personnel:

The following changes in appointments to command posts have been ordered by Commander in Chief, Navy:

1. Commanding Admiral, Group Baltic, Admiral A l b r e c h t , and Commanding Admiral, Fleet, Admiral B o e h m are placed at the disposal of Commander in Chief, Navy. Group Baltic will be attached to Baltic Station. Commanding Admiral, Baltic Station becomes at the same time Commanding Admiral, Group Baltic. Vice

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

Admiral M a r s c h a l l is appointed as the new Commanding Admiral, Fleet and is at the same time Commanding Admiral, West.

2. Commanding Admiral, Scouting Force, Vice Admiral D e n s c h , is ordered to take over the post of Commanding Admiral, North Sea Station; the new Commanding Admiral, Scouting Force will be Rear Admiral L u e t j e n s .
3. The new Commander, Torpedo Boats will be Captain B o n t e .
4. Chief of Staff, Group West will be Captain C i l i a x .
5. Chief of Staff, Fleet will be Captain B a c k e n k o e h l e r .

Special Reports on the Enemy 26 Oct.

Atlantic:

Great Britain:

The Naval Attaché in Rio **reported** the departure of a number of British and French steamers between 20 and 22 Oct. (probably to join up with the convoy due to leave Montevideo on 21 Oct.)

The cruiser EFFINGHAM and the destroyer GREYHOUND will put into Plymouth on 27 Oct.

The REPULSE and the FURIOUS are en route to an area 700 miles west of Land's End, according to radio monitoring.

France:

The 1st Battleship Division, the 6th and 8th Destroyer Divisions as well as the 4th Cruiser Division are on convoy escort duties in the area west of Brest.

The light forces transferred to Dunkirk and Calais at the outbreak of war have been withdrawn since 16 Oct., according to an agent's report.

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

For survey of the operations of the main British and French units during the past week and disposition of forces see Radio Monitoring Report No. 8 (War Diary, Part D, Vol. Radio Monitoring Reports).

Special Items.

Great Britain:

1. The Home Fleet in waters of northern Scotland; no special operations. Disposition at various ports and bays of northern Scotland.
2. Anti-submarine defense is being increased further. Strong anti-submarine measures by submarines chasers, destroyers, decoy ships, and planes on all trade routes near the coast.
3. A large number of convoys. There has been a convoy every other day along the east coast, among other places. They approach the eastern ports under cover of the flanking barrages laid off the coast.
4. Enemy submarines detected on the southwest coast of Norway, in the Skagerrak and on the west coast of Denmark. Bases are Rosyth and Blyth.
5. The "Northern Patrol" is carried out by cruisers exclusively. The "Dover Forces" consist of destroyers only. In the Channel area there are primarily destroyers; incoming convoys in the western Atlantic are escorted by cruisers and destroyers, lately also by battleships and aircraft carriers.
6. Heavy concentration of defense forces in Freetown for convoy escort and attacks against German pocket battleships (among others, the RENCOWN and ARK ROYAL.)
7. Troop transports coming from India are heavily escorted in the Indian Ocean.

France:

1. Slight movements in the Channel. Patrol by light forces and planes.
2. Activity in the Atlantic - Channel outlet and in the Atlantic - Bay of Biscay areas consists of escort duties and very strong anti-submarine measures.

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

3. Direction-finding is carried out on all radio traffic of German submarines by a network of stations on the west coast of France and results are immediately transmitted to all forces and merchantmen. Convoys are then at once diverted and anti-submarine measures started.
4. Anti-submarine patrol in the Azores - Canary Islands - Madeira area is being increased.
5. The very efficient French intelligence network reports in a very short time the departures of German merchantmen.

Own Situation 26 Oct.

Atlantic and North Sea:

Nothing to report.

Baltic Sea:

Western Part of the Baltic Sea:

In the course of submarine chase a submarine was detected northwest of Fehmarn and at the Great Belt barrage, as well as in the Fehmarn Belt. Depth charges were dropped. No success was ascertained. Submarine chase is being continued.

War against Merchant Shipping in the Eastern Part of the Baltic Sea:

Results achieved since 25 Oct.: 19 vessels brought into Pillau, Swinemunde, Sassnitz, Kiel, and Memel to be searched.

Danzig Bay:

Altogether 26 sunken vessels, tugs, motor schooners, and bunkering cranes have so far been salvaged in Gdynia. The entrance is now swept to a width of 125 m; the naval base is empty except for one vessel.

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

U "46" is on return passage, position off Oporto;
U "25" has been assigned the area northwest of Cape
Villano and Cape Ortegal as operational area.

North Sea:

U "24" reports having carried out the torpedo mine
operation off West Hartlepool.

War against Merchant Shipping by Submarines.

U "37" reports on the patrol in the area off the Strait
of Gibraltar: Air patrol over Trafalgar, Spartel, Larache
and St. Vincent. Steamers having a speed of more than
nine knots proceed alone ten miles south of the general
steamer route. Here defense by decoy ships, in co-ope-
ration with planes and motorboats. The submarine was
depth charged for seven hours. Oil trace or air bubbles
likely. No location, hydrophones only.

On 26 Oct. the British Prime Minister **stated** in the House
of Commons that in the course of the past week out of
seven submarines sighted four were attacked, one of them
being definitely destroyed and one damaged. Submarines
sank 22,000 tons of British shipping but Germany, he said,
lost 27,000 tons in the same period (one vessel scuttled
by her crew).

Merchant Shipping 26 Oct.

Own Shipping:

The internment of the prize crew of the CITY OF FLINT
has been cancelled, according to a report from Moscow,
as the prize called at the port because of engine damage.

CONFIDENTIAL

26 Oct. 1939

CONFIDENTIAL

However, the vessel is to remain in Murmansk for the present to ascertain what cargo she is carrying.

This last mentioned measure cannot be justified by International Law and constitutes a concession to the Americans, who demand the release of the vessel as she was seized unlawfully and in addition lost her character as a prize by calling at a neutral port.

Neutral Shipping:

The Latvian steamer UTEMA, which has repeatedly been reported bound for Britain carrying butter and bacon, ~~was~~, together with other neutral steamers, stopped on 25 Oct. by forces of Commanding Admiral, Defenses, Baltic and sent off to Pillau.

For an example of the ruthless control of neutral shipping and of the mail carried aboard neutral steamers see War Diary, Part B, Vol. V.

Enemy Shipping:

Twelve British ore steamers left Narvik on 25 Oct. according to a report from the Naval Attaché in Stockholm. The Consulate at Trondheim reports that these vessels will depart early on 27 Oct., apparently, together from Trondheim to England.

CONFIDENTIAL

27 Oct. 1939

CONFIDENTIAL

At 1100 Conference on the Situation with Chief, Naval Staff.

Special Items.

1. Destroyer operation against merchant shipping.

A destroyer operation against merchant shipping in the central part of the North Sea on the trade route between the southwest coast of Norway and the central coast of Britain as well as in the Skagerrak has been planned for the near future (the earliest deadline being the evening of 27 Oct.), depending on the weather. The operation will be covered by air reconnaissance.

Commander, 4th Destroyer Flotilla will be in command.

Forces participating: six destroyers.

Operational plan: Put out from river mouths at dusk. Proceed on route "II" through the declared area. Operations against merchant shipping according to prize regulations. Comb the area northwest of the declared area as far as the southwest coast of Norway; at night off the Norwegian coast. The second day of the operation to be spent in the Skagerrak. - Return passage through the Great Belt.

Chief, Naval Staff gives his full approval to this operational plan.

2. Chief, Naval Staff orders preparations to be made for effectively closing off Danzig and Neufahrwasser against submarines.

3. Numerous reports confirm the news of the start of increased ore and timber transports from Murmansk and Narvik to Britain. Commanding Admiral, Submarines is to receive instructions to send out submarines against these important British trade communications. In this respect it will be necessary to sanction operations against merchant shipping in accordance with prize regulations (so far not sanctioned for submarines in the North Sea area).

4. Chief, Naval Staff orders the publication of the successes by our submarines and of our losses.

Concerning the question of publishing our own losses, Naval Staff holds the view that, especially if the war lasts some time, it is impossible to refrain from making our losses known. As it is obvious that losses must be sustained, silence regarding them would give

27 Oct. 1939

CONFIDENTIAL

rise to the assumption that they are very severe and would reduce the nation's confidence in its leadership. However, our own losses may only be announced:

- a. if the loss has been definitely established and
- b. if it has definitely become known to the enemy.

The percentage of losses sustained must thus appear extremely low.

In the announcement which has now been made, therefore, the loss of three submarines up to now is published (these are U "27" - Lt. (sg.) Franz ; U "39" - Lt. (sg) Glattes ; and U "12" - Lt. (sg) v.d.Ropp).

In addition Naval Staff must assume also the loss, not yet confirmed, of U "40" - Lt. (sg) Barten ; U "42" - Lt. (sg) Dau ; and U "45" - Lt. (sg) Gelhaar ; as well as the certain loss of U "16" - Lt. (sg) Wellner.

Special Reports on the Enemy 27 Oct.

Atlantic:

Great Britain:

A report from Holland states: The participation of German pocket battleships in operations against merchant shipping in the Atlantic has been given great publicity in the British press and caused a marked uneasiness. Newspapers elaborate, some at very great length, on assumptions about how many German warships can now participate in operations against merchant shipping. The "Daily Telegraph" assumes that two battleships are operating in the Atlantic. The pocket battleship DEUTSCHLAND, this newspaper states, sank the steamer STONEGATE in the North Atlantic on 13 Oct., while the pocket battleship ADMIRAL SCHEER is operating in the South Atlantic. The "Daily Herald" adds to these the cruiser EMDEN, which is assumed to have seized the CITY OF FLINT.

Light British escort forces (the destroyers HARDY and HYPERION) are en route to Trinidad from the Freetown area via a point off the Canary Islands.

CONFIDENTIAL

27 Oct. 1939

CONFIDENTIAL

The cruiser CUMBERLAND was in Montevideo on 26 Oct.
(Transmitted to pocket battleships).

France:

The 1st Battleship Division has been established by radio monitoring 100 miles west of Land's End as escort for convoys.

A German submarine was reported near the Berlenga Islands on 25 Oct. at 2100 (U "46" ?).

North Sea.

No definite enemy movements have been observed. Unidentified vessels were located on the east coast between the Thames and Berwick.

Own Situation 27 Oct.

Atlantic:

Nothing to report.

North Sea:

In the evening of 27 Oct. an operation against merchant shipping by six destroyers was started into the central part of the North Sea (Great Fisher Bank) in the direction of the southwest coast of Norway and the Skagerrak, under Commander, 4th Destroyer Flotilla.

The air reconnaissance flown as a preparation for the operation established a large number of steamers west of the Skagerrak.

Baltic Sea:

Operations against merchant shipping in the following areas:

Oeland - Gotland: by patrol boats and minesweepers;
north of Gotland: by the GRILLE and the HANSESTADT
DANZIG;

- 173 -

CONFIDENTIAL

27 Oct. 1939

CONFIDENTIAL

between Gotland and Latvia: by patrol boats;
northern part of the Baltic Sea and Gulf of Finland as
far as the longitude of Reval (Tallinn): by the TANNENBERG.

Russia requests that operations against merchant shipping in the Gulf of Finland and in the area off the Baltic States be abandoned, as she is afraid that by German forces appearing in the course of such operations the Finns would be given a backing during the Russo-Finnish negotiations now in progress. This measure would lend itself in foreign countries to differences being construed between Russia and Germany and to undesirable conjectures on Germany's attitude towards the Russo-Finnish negotiations. So as to obviate any disturbance of these negotiations by German measures and to disperse Russian fears, Naval Staff orders the restriction of the operations up to longitude 20° 30' E, thus concentrating on the area of the Swedish side of the eastern Baltic.

Submarine Situation.

No changes. The report of U "16" that the submarine had to be scuttled because of serious damage has been confirmed by a British broadcast in so far as the wreck of a submarine is said to have drifted near Goodwin Sands light buoy. The Air Force will endeavor to interfere with the diving and salvage operations started.

Merchant Shipping.

Own Shipping:

The Ministry of Transportation has instructions transmitted to the German vessels in South America (east coast) and in Spanish Atlantic ports to return home as soon as they can, if possible with cargo.

From a statement made by Chamberlain on 26 Oct. the following additional German shipping losses can be inferred:

CONFIDENTIAL

27 Oct. 1939

CONFIDENTIAL

The motor tanker BISCAYA,	6,392 GRT	(Essberger)	in ballast;
the steamer GLORIA,	5,896 GRT	(Orion, Rostock)	4,500 tons of wheat;
the steamer BIANCA,	1,375 GRT	(Kirsten, Hamburg)	1,951 tons of coal;
the steamer GONZENHEIM,	4,574 GRT	(Unterweser)	8,300 tons of wheat.
	<hr/>		
total	18,237 GRT		

The steamer POSEIDON is also to be added.

While the first three vessels are said to have been brought in, the GONZENHEIM appears to have been scuttled by the crew before seizure. Radio signals were not intercepted from any of the steamers. Merchant shipping has been instructed by a warning report always to radio position when stopped.

The loss of the steamers is regrettable in spite of the slight losses so far sustained. Even if the areas in which the vessels were seized cannot be definitely established, it is nevertheless assumed that the losses principally occurred in the Denmark Strait and in the waters around Iceland, where constant patrol by British auxiliary cruisers and destroyers has been observed. Dispersal of the enemy patrol lines can at present not be effected (the sending out of a submarine does not promise any success, and commitment of the DEUTSCHLAND, recalling her from her present thrust to the south, must be rejected) and would promise only temporary success. A diversion of vessels returning from overseas to neutral ports, for instance Spain, would lead through very dangerous areas. Naval Staff regards the continuation of the return passage of German steamers as quite possible and still worth attempting in spite of losses which may occur. The attention of ships is drawn to enemy patrol in the Denmark Strait and in the area of Iceland-Scotland, and they have received instructions to pass the danger areas at dark or when visibility is poor. The fact that there are still prospects for a return home from overseas is shown by reports on German vessels putting into Norwegian and home ports. It is, of course, necessary for the vessels to exercise special skill during and even before their departure from overseas ports. The French intelligence service has proved particularly efficient in the establishment of German shipping movements and in passing all reports on to naval forces.

CONFIDENTIAL

27 Oct. 1939

CONFIDENTIAL

The prize CITY OF FLINT is making preparations to put out from Murmansk. The prize officer has received orders from the Naval Attaché in Moscow to expedite to the utmost the measures necessary for repairs and supplies. The Russian Government has abstained from checking the cargo. The vessel may put out at any time.

Neutral Shipping:

In the course of the past week 128 vessels were searched by the British contraband control stations, that is altogether 50 % more vessels than heretofore. In the same period ten neutral vessels were released daily by British control stations.

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items:

Pocket battleships: Chief, Naval Staff brings up for discussion the question of whether the operational situation in the Atlantic does not make it appear necessary or desirable for the DEUTSCHLAND (and subsequently also the SPEE) to return to home waters in November. The withdrawal of the heavy British forces from the North Sea and their concentration in the Atlantic for the safeguarding of convoy traffic and for the pursuit of the pocket battleships do not promise substantial prospects of success in the Atlantic at the present moment. The task of the pocket battleships, i.e. to inflict damage on enemy merchant traffic by direct attacks on enemy and neutral merchantmen carrying contraband, could, of necessity, be fulfilled to a slight extent only, considering the restrictions imposed on their commitment. On the other hand, the additional objectives aimed at in using the pocket battleships, namely their indirect effect on the volume of merchant traffic as a whole to enemy countries, as well as the tying-down of strong enemy forces and their increased wear and tear have been fully achieved. An increase in successes would be possible if the pocket battleships were fully **committed**. This, however, has not been planned by Naval Staff. It must rather be the endeavor of Naval Staff to preserve the pocket battleships as long as possible for German naval warfare, utilizing any opportunities for success, and to ensure their full operational readiness for a more favorable time to come.

Any loss of prestige on our part and any gain of prestige by Great Britain must, therefore, be avoided at this moment by all possible means. The preservation of the pocket battleships lies, therefore, not only in the interest of operational naval warfare but also to a great extent in the interest of the political leaders. The latter expect Italy to enter the war on our side perhaps at a later date. Such an event would have far-reaching consequences on the new disposition of the naval and air forces of Great Britain and France, which would thus be forced to withdraw a large part of their forces to the Mediterranean and to leave them there. At that time much more favorable operational possibilities will necessarily exist than at present for the pocket battleships, in view of heavily concentrated defense. The objective must therefore

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

be to have the pocket battleships available once more in full operational readiness at that time, which Naval Staff expects to be in spring 1940, in the Atlantic where their operations can then be most effectively supported by the appearance of the auxiliary cruisers.

The service conditions of the pocket battleships also make their early return to home waters appear desirable. The pocket battleships must undergo a major engine overhaul not later than January 1940. The possibility of this overhaul being expertly carried out during a regular dockyard period exists at present only in home waters.

From an operational point of view the earlier return home of the pocket battleships now in November would have the advantage that the break-through to home waters as well as passage into the Atlantic again could take place at a time of year when long dark nights and predominantly bad weather conditions with poor visibility would be in great favor of the break-through. The operations by the pocket battleships for breaking through to home waters must be carefully prepared and brought into closest alignment with the measures of home forces, particularly those of the battleships. A favorable withdrawal from the operational area in the Atlantic is expected for the DEUTSCHLAND when, early in November, she will make another sharp thrust into the enemy Atlantic trade routes and without further delay will subsequently start homeward passage unnoticed at high speed. Her radio may, therefore, not be used. With a view to camouflaging the operation, it will also be necessary to avoid an increase in the transmission of radio messages to the pocket battleships from home waters. The area Greenland - Iceland must be passed by the DEUTSCHLAND unnoticed during darkness; the passage will lead further north around Iceland in the direction of the Norwegian coast; the passage between the Shetlands and Norway is also to be covered during the night.

The entire break-through of the pocket battleships must be carried out as unobtrusively as possible; all measures connected therewith must be kept strictly secret. The battleships SCHARNHORST and GNEISENAU are to be duly transferred to the North Sea bases and kept in readiness for a thrust into the northern part of the North Sea. A rendezvous position of the battleships and light escort forces may be considered.

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

However, a thrust by the battleships into the northern part of the North Sea to support the incoming pocket battleships would entail the risk of the British Fleet being forewarned and of naval and air forces being quickly sent out.

On the other hand, the prospects for a lone pocket battleship breaking through the northern part of the North Sea homeward-bound at high speed can be assessed as quite favorable.

Complete air reconnaissance and the commitment for long-range reconnaissance of trans-ocean planes having an extensive range would substantially assist the operation of the pocket battleship. The available submarines are to take up positions off the enemy bases and in flanking patrol lines in the North Sea.

It appears advisable to have the supply ship WESTERWALD also return to home waters for a thorough engine overhaul. At this moment it is out of question that the valuable supply ship be used as an auxiliary cruiser. The return of the WESTERWALD will best be prepared in such a manner that she will remain in her present area until the return home of the DEUTSCHLAND and will then be ordered to follow. A welcome possibility of withdrawal for the WESTERWALD is represented by "Base North".

The return of the SPEE to home waters is for the present not yet considered urgent. Just now opportunities for operations in the South Atlantic can still be seen for the GRAF SPEE. If enemy concentration of forces is too great in her present operational area, there are possibilities for withdrawal into the Indian or Pacific Oceans. The previous plan not to have the GRAF SPEE break through into home waters until January will, therefore, remain effective.

As a first preliminary order the following radiogram is transmitted to the pocket battleships:

Radiogram 1411/28

"Planned to bring the DEUTSCHLAND and WESTERWALD into home waters approximately between 11 and 19 Nov. Details following".

Naval Staff.

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

Special Reports on the Enemy 28 Oct.

Atlantic.

Great Britain:

The Naval Attaché in Buenos Aires reports the departure of the CUMBERLAND from Montevideo on 27 Oct. The next La Plata convoy will depart from off Montevideo on 29 Oct. It consists for the most part of armed steamers carrying grain and meat and one passenger steamer.

(Transmitted to the pocket battleships).

According to information so far, a convoy leaves the La Plata area once a week. A British cruiser can always be expected in the Montevideo area shortly before the time of departure.

The 3rd British Destroyer Flotilla ("I" class), hitherto western outlet of the Channel, has relieved the 8th Destroyer Flotilla in the northern area.

France:

Admiral, Atlantic Forces, the 4th Cruiser Division and the 8th Destroyer Division are established by radio monitoring to be in the Brest area.

The cruiser ALGERIE has apparently put out from Casablanca, southbound.

North Sea:

Radio direction-findings yesterday revealed shipping movements in the Orkneys - Shetlands area and west of the Skagerrak.

Commanding Admiral, Home Fleet, who was located on 27 Oct. in Invergordon, was again at sea on 28 Oct. Air reconnaissance over the naval bases in northern Scotland established a cruiser in Lerwick and no vessels in Loch Ewe and Cromarty. The submarine depot

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

ship PEGASUS was detected in the Rosyth area.

The mine-cruiser ADVENTURE was in the area between Rosyth and Newcastle on 27 and 28 Oct. Formations of our Air Force which were sent out did not sight anything. Her presence in this area, in connection with a report from Danish fishermen on the laying of a British minefield between Kinnaird Head and the Firth of Forth (positions given: $57^{\circ} 21' N, 01^{\circ} 35' W$; $57^{\circ} 21' N, 01^{\circ} 00' W$; $56^{\circ} 18' N, 01^{\circ} 44' W$; $56^{\circ} 18' N, 02^{\circ} 17' W$), indicates a further extension of the flanking barrages on the east coast of England with a view to creating a safe "shipping channel" off the coast. It is now a question of Germany interfering with this shipping route by carrying out a mine offensive in a very severe form. The laying of transverse minefields in deep echelon formation at favorable points of the route must be investigated. As the steep coast with deep water excludes the use of ground mines in the north, the mining must primarily be carried out in the south (Thames - Dowsing - Humber - Flamborough Head). However, the possibilities of laying moored mines by camouflaged auxiliary mine-cruisers must also be investigated.

In the course of last night Radio Gibraltar correctly broadcast the limits of the German declared area, thus confirming the assumption that the limit recently announced, which showed an extension westward, was either an error or an erroneous revelation of enemy barrage projects.

Approximately 80 German seamen from German merchantmen were disembarked from an armed British freighter in a Scottish port, according to Reuter. Thus the assumption is confirmed that the northwest passages are patrolled by auxiliary cruisers.

Own Situation 28 Oct.

Atlantic.

See War against Merchant Shipping.

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

North Sea:

The operation against merchant shipping started by the 4th Destroyer Flotilla was broken off because of the weather and the cancelation of air reconnaissance by Group West. Some of the destroyers sustained considerable sea damage, especially to their electric installations.

Baltic Sea:

Western Part of the Baltic Sea:

Submarine chase by naval forces and anti-submarine patrol by naval air forces had to be suspended temporarily because of the weather. No new submarine observations have been received.

War against Merchant Shipping in the eastern part of the Baltic Sea yielded the following results between 25 and 27 Oct.:

65 neutral vessels stopped, 38 released as not being suspicious, and 25 vessels sent to German ports to be searched.

The vessels operating against merchant shipping had taken up fixed positions during the day and the planes directed all merchantmen sighted, which were not German, to these positions to be searched by the naval forces. At night the forces patrolled within assigned areas. As at present no danger from submarines is to be assumed in the eastern part of the Baltic Sea, patrolling could be carried out on fixed positions at slow speed. Co-operation with the Air Force proved satisfactory.

Shipping outside territorial waters has decreased further.

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

Submarine Situation.

Atlantic:

En route to the operational area: U "26", U "53", U "33"
In the operational area: U "25", U "34";
also (questionable) U "40", U "42", U "45"
U "31

the latter on special operation.

On return passage: U "37" and U "46"
(at present west of the Bay of Biscay).

The French Admiralty reports submarines at a point 200 miles west of Land's End and west of Cape Finisterre. At 1215 the submarine off Cape Finisterre is confirmed by radio direction-finding. This is U "37" which radioed at that time.

A French report mentions the sinking of a submarine in the Atlantic on 27 Oct.

North Sea:

In the Operational Area:

U "21" special operation;
U "13" Kinnaird Head;
U "56")
U "59") Orkneys operational area;
U "61" on the Norwegian coast.

Daventry reports that it has not yet been possible to salvage the submarine wreck established off Goodwin Sands.

Salvaging will at present meet with considerable difficulties in view of the prevailing northeast storm. The Air Force has orders to destroy the submarine wreck and to interfere with any salvage operations.

War against Merchant Shipping by Submarines.

Atlantic:

In the forenoon U "37" made brief contact with a ship

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

off Cape Villano which, however, was lost again shortly afterwards.

On 27 Oct. submarines received the following order from Commanding Admiral, Submarines:

In order to avoid being taken by surprise you will:

1. not board merchantmen for search;
2. always sink steamers by torpedo only, even if this is first done following search or after breaking resistance by gunfire.

North Sea:

In view of the necessity of operating against the timber and ore transports proceeding from the Norwegian coast to Britain, the order prohibiting operations against merchant shipping by submarines in the North Sea issued on 30 Sept. is restricted to the area south of 61° N and east of 5° W.

Merchant Shipping 28 Oct.

Own Shipping:

According to statistics compiled by the Ministry of Transportation, the 73 German vessels which returned from overseas or Norway between 3 Sept. and 24 Oct. in spite of the British blockade brought the following cargoes to Germany:

altogether	222,241 tons	
of which	45,440 tons	consisted of outgoing cargo
		which was brought back again
thus leaving	<u>176,801 tons</u>	of incoming cargo, including
58,048 tons	of iron ore	
31,104 tons	of pulpwood	
29,416 tons	of grain	
8,496 tons	of cotton.	

CONFIDENTIAL

28 Oct. 1939

CONFIDENTIAL

According to a report from the Ministry of Transportation, the motorship NEUENFELS (8,096 GRT) of the Hansa Line put out from Holtenau for Narvik in ballast on 25 Oct. to fetch ore from there. The motorship NEUENFELS is thus the first German vessel to put out for Narvik since 3 Sept. It is planned first to take up ore shipping from Norway experimentally with a few vessels and, if successful, later on to use really large numbers of ships on this run when the intelligence system of the Foreign Office necessary for this war-time passage is working. It is primarily a matter of supplying Norway with coal in order to receive in exchange from the harbors in northern Norway, including Kirkenes, the ores with low phosphorous content which are vital to German industry.

Neutral Shipping:

For report of the German Consul General in Amsterdam on the special treatment of Italian vessels in British control ports see War Diary, Part B, Vol. V.

CONFIDENTIAL

29 Oct. 1939

CONFIDENTIAL

At 1100 Conference on the Situation with Chief, Naval Staff.

Special Items:

The development of warfare on the western front cannot yet be foreseen. It may occur, however, that an attempt by the Western Powers to push through **Luxenburg**;, Belgium and Holland, violating their neutrality, and to invade the Rhine industrial area by outflanking the West Wall, will have to be opposed by a corresponding thrust on the part of the German Army. In such a case the first objective of the Army would be to bring the enemy to a halt as far west of the Reich border as possible and to gain control of the area in front of the vital industrial area which is necessary, above all, for air defense.

In this connection the Navy will be assigned the task of safeguarding the flank of the right Army wing in the direction of the sea and of hindering enemy material supplies and reinforcements, or troop landings in the flanks or rear of our own front.

In A I Op. 327/39 Gkdos. Chfs. of 30 Oct. Group West and Commanding Admiral, Submarines receive instructions from Chief, Naval Staff for support of Army operations by warfare in the North Sea. Commanding Admiral, Group West is entrusted with preparation of the measures. The basic instructions provide for the following:

- a. Defense of the sea area in question against the appearance of enemy forces and enemy landings primarily by the use of mines and submarines (if need be also by destroyer and PT boat operations) and operations by formations of the Air Force.
- b. No operations by heavy forces and cruisers owing to the nature of the **coastal** waters of the area.
- c. Submarines, PT boats, destroyers and planes will come into question as minelayers. The use of submarines will be given priority. Aerial mines may be used.
- d. With a view to tying-down enemy naval forces at other places and relieving the operational area, thrusts by Fleet forces into the northern part of the North Sea may be considered and are to be prepared in theory.

CONFIDENTIAL

29 Oct. 1939

CONFIDENTIAL

- e. All measures by the Navy must be brought into alignment with the action of the Army and the Air Force. Their execution must, therefore, remain in the hands of Naval Staff more than is usual.

An investigation of the operational possibilities of the Special Groups, which will become operational in the very near future, leads to an instruction to the Groups on the use and assignments of these vessels.

If well prepared and efficiently commanded, the special vessels can succeed in carrying out extraordinary operations. Their "all-out" commitment in carrying out these tasks must be accepted; the tasks can be effected alone or in co-operation with other forces. Far-reaching operations are also possible. Naval Staff envisages the following independent assignments:

War against merchant shipping in remote areas (Northern Norway, White Sea, Gulf of Bothnia).

Defense of fishing.

Operations against enemy patrol vessels and auxiliary cruisers.

Operations against enemy fishing in remote areas.

Operations against convoys having a light escort.

Mining operations.

Combatting enemy submarines.

Cutting cables.

In co-operation with other forces the Special Groups may be assigned the following tasks:

Reconnaissance - use for dummy radio traffic - co-operation with submarines as guide vessel and for reconnaissance.

Commitment on operations in order to utilize opportunities for torpedo attacks. - Use as radio beacons for air forces.

CONFIDENTIAL

Special Reports on the Enemy 29 Oct.

Atlantic.

Great Britain:

A convoy puts out from Gibraltar daily, according to reports from Spain. On 29 Oct. a convoy of eight vessels coming from the west put in and another of 25 vessels put out, westbound.

The cruiser SHROPSHIRE was observed in the South African area (put out from Freetown on 23 Oct.)

France:

Nothing to report.

North Sea:

Brisk reconnaissance over the northern part of the North Sea. Unidentified vessels were located in the Hoofden (northeastern entrance to the English Channel. Tr.N.) and in the central part of the North Sea. On 28 Oct. the cruiser CAIRO, the mine-cruiser ADVENTURE, and destroyers were lying off Rosyth.

According to an Intelligence report, the British are said to be providing large steamers with heavy armament (also torpedo tubes) for use as decoys against light German forces in the North Sea.

Own Situation 29 Oct.

Atlantic:

Nothing to report. For reports on submarines see War against Merchant Shipping.

North Sea:

Nothing to report.

Baltic Sea.

Western Part of the Baltic Sea:

CONFIDENTIAL

29 Oct. 1939

CONFIDENTIAL

Submarine chase does not result in any new locations.

Eastern Part of the Baltic Sea:

War against merchant shipping by minelayers continued.

Submarine Situation:

Atlantic:

U "31", having carried out torpedo mine operation Loch Ewe, is on return passage.

U "33" put out into the Atlantic operational area.

Otherwise no changes

North Sea:

U "24" returned from special operation Newcastle.

War against Merchant Shipping by Submarines.

The increasing reports on the use of armed passenger steamers in convoys make it imperative to abandon the consideration accorded up to now. In view of the basic instructions already issued by the Fuehrer, Commanding Admiral, Submarines, therefore, receives the following order:

"Permission is given immediately for full use of arms by submarines against passenger steamers sailing in enemy convoy."

Commanding Admiral, Submarines draws the attention of submarines to the necessity of caution during gunfire engagements with steamers. Submarines should remain at a distance and not enter into an "all-out" operation.

In reply to inquiry as to position, defense situation, and traffic observations, the following reports were received:

CONFIDENTIAL

29 Oct. 1939

CONFIDENTIAL

U "25": Near Cape Villano, slight neutral traffic consisting of single vessels; anti-submarine and patrol destroyers;

U "34": 100 miles west of the Scilly Islands; one convoy, two escorted steamers, and two single neutrals; heavy air patrol on convcy routes, otherwise no patrol because of the weather; pursuit by destroyers with hydrophones, location, and depth charges following attacks.

Merchant Shipping 28 Oct.

Own Shipping:

Three steamers returned home from overseas; one steamer carrying grain returned as far as Norway.

The prize CITY OF FLINT put out from Murmansk on 28 Oct.

Neutral Shipping:

The Estonian Government has put an embargo on the sale of Estonian steamers to Great Britain. Some of these vessels are alleged to have left British ports.

The attempt made by Russia in Sweden and Norway to charter a number of vessels for timber transports to Britain, has been confirmed by the Norwegian press. Nothing, however, is said to have materialized, as the Russians made very severe and one-sided conditions.

The following neutral vessels chose the route through the Kiel Canal:

in the week ending 7 Oct.: 9 vessels eastbound, 17 west-bound;
in the week ending 14 Oct.: 8 vessels eastbound, 23 west-bound;
in the week ending 21 Oct.: 11 vessels eastbound, 21 west-bound.

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff.

Special Items:

1. Chief, Naval Staff attaches particular importance to the Thames operation being carried out soon, as the possibility thereof and its effects are still regarded as favorable at present.
2. The findings hitherto made by our submarines indicate that British planes do not only use bombs fitted with time firing mechanisms but also depth charges in combatting submarines. As an increased use of submarines by the British must be expected in the Heligoland Bight and in the Baltic Sea, the immediate development by us also of a similar depth charge to the one at present being dropped by surface forces, for use from planes, is urgently required. The necessary arrangements are to be quickly made.
3. Following tedious negotiations with the Foreign Office and with regrettable delay, Sweden has today been notified of the restriction of German recognition of the Swedish territorial limit to three miles. In the opinion of Naval Staff it would have been more expedient already at the beginning of war emphatically to demand that Sweden accept this justified claim on the part of Germany.

Effective immediately, Commander, Torpedo Boats becomes Commander, Destroyers. All destroyer units will be put under his command. Base: Wilhelmshaven. The new appointment of a Commander, Torpedo Boats based at Swinemuende has been ordered. All torpedo boat and PT boat flotillas will be under the Commander, Torpedo Boats.

The reasons for the new organization are as follows: Within the naval operations planned, the use of torpedo and PT boats will only come into question to a restricted extent for long-range operations. It will be necessary to resort to torpedo boats frequently to carry out the tasks of the Commanding Admirals for Defense, of Commanding Admiral, Submarines, and of the Inspectorates. Their direct subordination to Commander, Destroyers would entail an undesirable burden in operational control, as the tasks of destroyers and their capabilities differ fundamentally from those of the torpedo boats. In addition, there is the fact that the arrival of

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

new torpedo boat flotillas will entail further work which is bound to have a disadvantageous effect on the operational control of matters connected with destroyers. A special command for torpedo boats and PT boats is, therefore, necessary.

As there is at present not sufficient labor in the plants which are working for the Navy to allow adherence to the deadlines specified, especially to meet the demand for increased torpedo output, Commander in Chief, Navy once more issues instructions for an investigation of all possibilities of shifting labor, drawing skilled workers from a number of plants less vital to the war effort, and transfer to suitable plants of orders which have not been provided for so far in respect to labor.

A strong Russian delegation has arrived in Germany for comprehensive economic negotiations and approached the Armed Forces, particularly the Navy, with extensive requests and demands. For details see War Diary, Part B, Vol. V.

Special Reports on the Enemy 30 Oct.

Atlantic:

According to newspaper reports from Britain, the 1st Division of the Canadian Expeditionary Corps in the strength of approximately 16,000 to 18,000 men will be transferred to **the British Isles** within the next two months, in order to receive their final training and war equipment there. The transfer was originally not planned until spring 1940.

The Naval Attaché in Madrid reports: According to the Shipping Interrogation Service at Tenerife, the aircraft carrier EAGLE is said to have been sighted in a line with San Vincent, Cape Verde Islands on about 24 Oct. (This observation is probably an error, the aircraft carrier HERMES having been taken for the EAGLE).

North Sea:

The Polish submarine ORZEL is said to have put into a British

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

port on 19 Oct. and to have been assigned to the British Fleet, according to a Portuguese report.

According to a statement by a steamer captain in Rotterdam, all vessels bound for Kirkwall must call upon a pilot boat which lies during the day in Shapinsay Sound east of Helliar Holm. Putting into port during darkness is not permitted.

Own Situation 30 Oct.

Atlantic:

See War against Merchant Shipping.

North Sea:

Submarine U "56" reported the RODNEY, NELSON, HOOD, and ten destroyers on course 240° in grid square 3492 A M (northwest of the Orkneys) at 1000. ~~The~~ submarine fired three torpedoes without scoring a hit, due to failures. The cause for the failures is so far not known.

The verbal report from the commander after the return of the submarine must be awaited, before it is possible to assess the deeply regrettable fact that a rare and splendid chance was lost through torpedo failures. Particular importance must be attached to the established presence of the HOOD in home waters, in view of the operations of the pocket battleships to whom the sighting report has been transmitted.

The report of the submarine has proved, in addition, that the disposition of the submarines near the Orkneys is absolutely correct and must be continued in spite of the severe strain on them through being in waiting position in this area for days and weeks without appreciable successes.

The air reconnaissance sent out as a result of radio location established at 0800 in grid square 8243 six British destroyers at first proceeding on northeasterly, then on northwesterly course. One destroyer was attacked

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

with bombs during the reconnaissance flight. The result was not observed (Radio Daventry **reported** without result). A squadron of the 10th Air Corps did not find the enemy.

At 1140 an enemy convoy (of ten freighters, one anti-aircraft cruiser, three destroyers) on northerly course **was** detected by air reconnaissance in grid square 2651 (southeast of the Shetlands). Another convoy **was** reported by submarine U "13" off Kinnaird Head on southerly course.

The 10th Air Corps was on reconnaissance over Scapa, Moray, the Firth of Forth, the Clyde and Oban. No special findings; apparently no vessels there.

Baltic Sea.

Western Part of the Baltic Sea:

Search for submarines without result. The following were on barrage patrol: the 7th Patrol Boat Flotilla in the Sound; the Training Flotilla of Commanding Admiral, Defenses, Baltic in the Great Belt; the 11th Patrol Boat Flotilla in the Little Belt.

Central Part of the Baltic Sea:

War against merchant shipping in the area Hanoë Bay - Oeland South was continued. Three steamers were brought in.

Danzig Bay:

Minesweeping was continued.

Eastern Part of the Baltic Sea:

The Russian Baltic Sea Fleet is transferring to its new ice-free bases. The principal winter ports are to be Ventspils and Liepaja. Reval (Tallinn) is to be used particularly for submarines and Baltic Port for smaller guard ships.

CONFIDENTIAL

Submarine Situation:

No changes.

War against Merchant Shipping by Submarines.U "34" **reported:**

1. The Swedish vessel GUSTAV ADOLF (contraband) and an armed mine-exploding vessel sunk off the Shetland Islands. At the western outlet of the Channel one steamer sunk, one steamer torpedoed out of a convoy, two large escorted steamers torpedoed, sinking not observed.
2. No air patrol in the operational area because of the weather.
3. Submarine is no longer definitely able to dive to greater depths. Position 120 miles west of Land's End. Started on return passage.

The following results of operations against merchant shipping have become known through radio monitoring and the foreign press:

The Greek steamer THARSYVOULOS (3,693 tons) SOS calls;
 British steamer MALABAR (7,679 tons) sunk;
 Norwegian steamer VARANGMÅLM (3,551 tons); (nothing added.
 Rumanian tanker OLTENIA (9,000 tons). Tr.N.)

Merchant Shipping.

The first ore ship from Germany put into Narvik on 29 Oct. The German Consul General at Antwerp reports on increased police control measures having for their purpose complete secrecy regarding cargoes. Photographing of vessels putting out is also said to be forbidden. Lately, vessels putting out from Antwerp were often brought into the Downs but released again soon afterwards without search. This proves that maritime exports

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

from Belgium and thus also exports from Germany have so far not been hindered by the British.

According to a report from Stockholm, no views on the German statement concerning the escort of enemy warships are to be expressed there, but it is to be left to the ship owners to act according to their own discretion. It is said that the British Government made it known in Stockholm on 27 Oct. that the British Admiralty would be prepared to escort Swedish merchantmen.

The harbor of Bristol is being expanded on a large scale, according to reports from Britain. Among other projects large subterranean tanks are being constructed.

The pocket battleships receive the following information in connection with the prize CITY OF FLINT:

"Owing to American objections, political complications have arisen for Russia through the CITY OF FLINT (taken in prize by the DEUTSCHLAND) putting into Murmansk. Russia requests that repetitions be avoided. In future dispatch prizes to Kiel via neutral territorial waters. Calling at intermediate ports only in accordance with Article 21 of the XIIIth Hague Agreement."

In order to establish the supply base "North" it is planned to use the motor vessel PHOENICIA, lying in Murmansk at present, as a supply vessel for submarines on the spot and out at sea. She is already supplied with **gas oil**.

Naval Staff, Service Division, Organization Branch receives instructions to supply the vessel as soon as possible for this purpose with gear for refuelling submarines at sea, complete stores for six submarines, type VII and four type I a or IX, as well as 40 tons of engine lubricating oil and a corresponding quantity of distilled water.

It is to be investigated in this connection how these supplies can be put aboard the PHOENICIA in the quickest and most inconspicuous way. Transport aboard outgoing steam trawlers appears to be an expedient and inconspicuous way.

CONFIDENTIAL

30 Oct. 1939

CONFIDENTIAL

The following information concerning "Base North" is transmitted to the pocket battleships:
Radiograms 1643/30, 1625/30 and 1553/31

"As Murmansk is not sufficiently isolated as a supply base, Russia has made available Zapadnaya **Litsa** Bay in the closed boundary area west of Murmansk. The Arctic Fleet has been informed. At first the transfer of a provisional supply vessel and later of a repair and supply vessel for pocket battleships and submarines is planned. Emergency calls are now already possible. Discussions are still going on regarding the form of the local arrival report. Details will follow. Arrival report through Naval Staff necessary until further notice."

The Bay in question is designated by cover name "Base North".

31 Oct. 1939

CONFIDENTIAL

Items of Political Importance.

(See Foreign Press Reports and Political Surveys).

Special Items:

1. Molotov's speech on foreign affairs before the Supreme Soviet deals in definite terms with the establishment of permanent friendship between the Soviet Union and Germany, the consequences resulting from the collapse of Poland, and the responsibility of the Western Powers for the continuation of the war. In addition it contains sharp attacks against the British blockade, which Molotov declares to be contrary to International Law.
2. The change in the Italian Government does not alter anything in the previous line of Axis policy, but serves the purpose of putting younger persons into office and placing still greater emphasis on **Fascist** militarism. G r a z i a n i , the strongest **Fascist** leader, has been appointed Chief of General Staff; no change has been made in naval command.
3. As a result of the lifting of the arms embargo, the U.S.A., according to a report from London, will deliver 300 planes to Great Britain this coming week. The U.S.A. are now said to be in a position to carry out the Allies' orders for delivery of 6,000 war planes and 1,000 submarine chasers.

For an assessment of the present attitude of the U.S.A see War Diary, Part B, Vol.VIII.

Special Reports on the Enemy 31 Oct.

Atlantic:

Radio monitoring reveals findings on the movements of French convoys on the Spanish and African coasts. A convoy of 25 merchantmen is reported on 31 Oct. off Cape Finisterre, course north, speed seven knots.

CONFIDENTIAL

31 Oct. 1939

CONFIDENTIAL

Commanding Admiral, 3rd French Squadron aboard the ALGERIE is off Dakar. The 10th Destroyer Division puts into Dakar.

North Sea:

In the morning of 31 Oct. air reconnaissance establishes and attacks convoys near Flamborough Head and in the area of the Wash; result not known. On 30 Oct. the Radio Monitoring Service detected destroyers of the 12th Flotilla in the Hoofden area and the anti-aircraft cruisers COVENTRY and CAIRO, the minelayer ADVENTURE, and some destroyers in the Rosyth area towards the south.

Own Situation 31 Oct.

Atlantic:

Nothing to report.

In connection with the projected return of the pocket battleship DEUTSCHLAND to home waters, various items of information and orders are issued to the pocket battleships commencing 31 Oct.; their transmission by radio will be spread over a period of several days for the purpose of camouflage. For complete record of the orders issued see Part C, Vol. I (Atlantic).

North Sea:

There were no special incidents apart from an attack with two 250 kg bombs on a convoy east of the Wash carried out by an He 115 in the course of reconnaissance.

Baltic Sea:

Nothing to report. Submarine search was without results. With regard to Russian military interests and those of foreign policy, operations against merchant shipping are

CONFIDENTIAL

31 Oct. 1939

CONFIDENTIAL

restricted to the area west of 20° E on instructions from Naval Staff.

Submarine Situation.

Atlantic:

U "34" started return passage to home waters.

North Sea:

U "31" put into Wilhelmshaven after carrying out special operation Loch Ewe.

U "13" has fired all torpedoes.

U "57" has a periscope defect.

Both submarines have started on return passage.

War against Merchant Shipping by Submarines.

At 0600 submarine U "25" reported position off Cape Villano. Attack on a convoy, course north; apparently one or two hits scored. Pursuit with hydrophones and sounding (Radio message is used by the French location service to take a bearing). In a second radio message in the evening submarine U "25" reports having fired four torpedoes from a short distance on a steamer which was stopped. No detonation. Torpedo misses improbable.

The cause for failure is not known. There is a possibility that the submarine underfired. A closer investigation is not possible until she returns. It is particularly regrettable that the submarine, which was entrusted with an operational assignment in the Mediterranean, has thus used up four of its torpedoes without any success.

Directed submarine operations against convoys:

The system of directed attack by submarines on convoys was first

CONFIDENTIAL

31 Oct. 1939

CONFIDENTIAL

applied in the Atlantic on 17 and 18 Oct. Of six submarines only three could be sent out. From the report of Commanding Admiral, Submarines on the course of the attack it can clearly be seen that the system has proved to be absolutely correct in this first instance. In spite of the few submarines participating and in spite of a seriously large number of torpedo failures it was possible to sink four steamers totalling 25,179 GRT out of a convoy of 20 fast steamers escorted by 12 destroyers. The psychological success may be assessed as particularly great. The results show that it is correct to adhere to this system.

Naval Staff views with particularly grave concern the continuously large number of torpedo failures, which is out of all proportion and which at present shows an extremely regrettable shortcoming in the readiness of the torpedo weapon in spite of thorough and careful peacetime tests. The failures reported by the submarines (detonation after expiry of safety range, detonation at the end of range, poor depth-keeping, surface runners) have not only prevented substantial chances of success but have also exposed the submarines themselves to the greatest danger and, in addition, weakened the confidence of the submarine crews, who are engaged in "all-out" operations, in their weapon. This psychological effect is particularly regrettable. All offices engaged in preparing the torpedo weapon for operational use are at present endeavoring with all available means to overcome the shortcomings in torpedoes. According to reports on hand, it is to be hoped that the magnetic firing mechanism of the torpedoes will meet requirements after the adjustment at present being made and can then be reissued for firing. The newest tests by the Torpedo Experimental Station and the Torpedo Trials Command have shown satisfactory results. However, it remains to be seen whether the practical results, when firing under actual operational and weather conditions with torpedoes which have been in the tubes for a long time and have been subjected to the magnetic influences of the submarine, will meet present requirements.

War against Merchant Shipping by Surface Forces.

A survey of the merchantmen brought in up to 28 Oct. inclusive reveals the following:

CONFIDENTIAL

31 Oct. 1939

CONFIDENTIAL

brought in	103 vessels
released	60 "
about to be	
released	<u>7 "</u>

leaving 36 vessels which are suspected of having carried contraband. Among these 36 vessels there are 7 vessels against which prize law proceedings have been started, 4 vessels against which they are pending, and 23 vessels which are doubtful.

Merchant Shipping 31 Oct.

Own Shipping:

Three vessels returned home from overseas. - The steamer HALLE was lost. This vessel scuttled herself on 28 Oct. when seized.

Vessels in the Azores were ordered by the Ministry of Transportation on 31 Oct. to return as far as fuel supplies permit. Vessels in Mexico received instructions not to put out until the return cargo to be obtained has been taken on.

As the prize CITY OF FLINT, according to a report from the Consulate at Narvik, has left Norwegian territorial waters, she receives the following instructions from Naval Staff by radio:

"The Norwegian Government permits passage through territorial waters and **islands** beyond 24 hours. Take advantage of the **island** route as far as possible. Report departure from Skudesnes Fjord through the Consul at Haugesund. - Naval Staff"

For state of German high seas fishing see War Diary, Part B, Vol. V., Page 42.

The Naval Attaché in Madrid reported:

Supply plans for 5 Nov. impossible because of the attitude taken by the Spaniards. Do not reckon with Spanish supplies until further notice.

CONFIDENTIAL

31 Oct. 1939

CONFIDENTIAL

Thus the possibility, previously hoped for, to have our submarines take on fuel and stores in Spanish bays is eliminated. Commanding Admiral, Submarines is informed, with the supplementary remark of Naval Staff that the last possibility for supplies from the MAX ALBRECHT is reserved for cases of emergency.

The Groups, Commanding Admiral, Submarines and Armed Forces High Command, Foreign Division are informed regarding "Base North". See OKM 1. Abt. I g 569/39 Gkdos. War Diary, Part C, Vol IX.

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