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WAR DIARY

German Naval Staff Operations Division

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PART A

VOLUME 6

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1-29 FEBRUARY 1940

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WAR DIARY OF THE GERMAN NAVAL STAFF
(Operations Division)

PART A
February 1940

Chief, Naval Staff: Grand Admiral Raeder, Dr.h.c.
Chief of Staff, Naval Staff: Vice Admiral Schniewind
Chief, Operations Division, Naval Staff: Rear Admiral Fricke

VOLUME VI

begun: 1 February 1940
closed: 29 February 1940

REPLACED BY THE COPY OF 2 FEB 1970. 2017
FROM THE ARCHIVES OF THE NAVAL STAFF

1

THE STATE OF TEXAS,
COUNTY OF [illegible]

Know all men by these presents,
that [illegible]

for and in consideration of the sum of [illegible] Dollars, to [illegible] in hand paid by [illegible], the receipt of which is hereby acknowledged, I, the undersigned, do hereby certify that [illegible]

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office at the City of [illegible], this [illegible] day of [illegible], 19[illegible].

OFFICE OF NAVAL INTELLIGENCE

Washington, D.C.

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 VI is the twentieth 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, 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 microfilm 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.

Washington, D.C.
1948

1 Feb. 1940

CONFIDENTIAL

2. Query as to the advisability of attacking ships while still under construction in the dockyards. The Fuehrer's attitude was that enemy attacks on our new constructions would be more dangerous to our overall conduct of the war than any attacks we might make on British new constructions.

Naval Staff, Naval Air and Air Force Liaison Section is to report the Naval Staff's opinion as follows:

With reference to Paragraph 1:

- a. If the enemy attacks patrol forces or shore positions, the most advisable countermeasure is the intensification of the war against merchant shipping.
- b. If our air bases are attacked by bombers, similar attacks must be made on British air bases.
- c. If Wilhelmshaven is attacked, a counterattack must be made on a similar enemy target.
- d. In the Naval Staff's opinion the war against merchant shipping has been very successful up to now. It is in the interests of Naval Staff to see that it is vigorously continued. An extension of operations to the west coast of Great Britain would necessitate care in dealing with neutral shipping (Japanese and Italian). Further, we must consider very carefully the fact that the enemy, being warned, will now consolidate his defenses, which development in its turn can affect our later large-scale attacks, particularly the intended aerial minelaying operations.

With reference to Paragraph 2:

The Fuehrer's latest decision not to attack ships still under construction remains in force. Chief, Naval Ordnance Division stated at the time that no decisive results could be obtained by attacking vessels while still on the slips, as they were not at a sufficiently advanced stage of construction. On the other hand, attacks made on ships in dock, which are almost completed,

CONFIDENTIAL

1 Feb. 1940

CONFIDENTIAL

promise considerable success. But at present an R.A.F. counterattack on Wilhelmshaven would be even more unfortunate for us than the loss of a few battleships would be for the enemy.

A telephone conversation with Chief of Staff, Group West revealed that Commander, Naval Air, West apparently believes that aerial minelaying operations are at present impossible, even with Naval Air Force planes, as he is restricted by instructions from the Commander in Chief, Air Force, temporarily forbidding the use of aerial mines. Naval Staff has not received any such directive either from the Fuehrer or the Armed Forces High Command nor an order to this effect from the Commander in Chief, Air Force. Instructions to date lay it down that aerial minelaying operations by the Naval Air Force are determined solely by the requirements of naval warfare and the orders of Naval Staff, unless an express directive is received from the Fuehrer. As Naval Staff is convinced that after the first aerial minelaying off the east coast of England similar operations must be resumed and intensified as soon as possible, the permission to employ the aerial mine off the east coast still stands. Group West has been informed to this effect.

Special Reports on the Enemy.

Atlantic.

Great Britain:

For tactical disposition of British forces on 15 Jan. 1940 see War Diary, Part B, Vol. V, Page 95.

Several submarines and destroyers are lying off the ports on the Spanish-Portuguese coast in readiness for operations against German steamers sailing from Spanish ports. (Two submarines off Finisterre, one off Berlengas, the DEFENDER west of Lisbon, the DECOY off Cadiz, one trawler off Huelva.) The cruiser DELHI west of Cape Villano is apparently proceeding to Gibraltar.

CONFIDENTIAL

1 Feb. 1940

CONFIDENTIAL

France:

Radio monitoring detected four or five convoys in the Biscay area and west of the Iberian Peninsula. A large number of warships, among them the battleship PARIS, was observed on convoy duty in the Brest area.

An accident occurred off St. Vaast during the evening, probably a collision.

The torpedo boat BRANLEBAS is bringing the dead and wounded to Boulogne.

The operation against German merchant shipping off the Iberian coast which began on 29 Jan. is being directed by a Commanding Admiral afloat. There was lively radio traffic between the patrol vessels. Three German ships were reported to have sailed from Santander and their positions were given in the vicinity of Gijon. They were escorted by two Spanish destroyers. The destroyer LEOPARD is proceeding to the northwest corner of Spain, the TERRIBLE and the VOLTA are lying off the west coast.

Intelligence Center, Spain has reported that the French tug ABEILLE puts in and out of Vigo every day on the pretext of doing salvage work on the patrol vessel which ran aground off Vigo some time ago. The tug is a threat to the forthcoming departure of the German steamers.

North Sea:

A submarine position has been identified off the western entrance to the Skagerrak some 35 miles northwest of Hanstholm. A submarine was relieved in that position on 1 Feb.

According to a report from Oslo, a fairly large convoy of some 30 ships is to leave Norway by 3 Feb.

For a review of the activities of enemy capital ships in the last week of January and the distribution of forces as detected by radio monitoring, see Radio Monitoring Report 4/40.

Shipping Losses:

Reuter reports that twenty men from the Greek steamer ELANI STATATHOS (5,625 tons), torpedoed without warning on 28 Jan., have

CONFIDENTIAL

1 Feb. 1940

CONFIDENTIAL

been landed in Ireland in a state of complete exhaustion.

The French liner FOUCAULD (11,028 tons) and the HOGGAR (5,146 tons) collided in Cameroon Bay on 31 Jan. Both vessels were severely damaged. The British steamer CITY OF ROUBAIX (7,108 tons) sent an SOS from a position off Lizard Head. An unknown British steamer (CITY CASTLE?), proceeding to Falmouth, sent an SOS signal off Lands End (mine?). The Norwegian steamer VINGO (500 tons) lost off the east coast of Scotland (submarine). 30 Jan. explosion on the British steamer ABBEY in Limne (Euboea), cause was sabotage.

Own Situation.

Atlantic:

Nothing to report.

North Sea:

Ice situation intensified in some areas by a strong southeast gale. The Ems is free of ice from Borkum on. Heavy pack-ice from Wilhelmshaven to Oldeog. The submarines can only put out with great difficulty. No air reconnaissance.

When the frost goes, Group West intends to give the destroyers a training period, one flotilla at a time, to bring them to full operational readiness.

Baltic Sea:

Ice situation again worsening. There is a firm layer of ice in Kiel Bay, Fehmarn Belt and Swinemunde Bay. Kjoege Bay, Falsterbo - Kogrund - Lillegrund - and Flint channels are closed on account of solid ice. Slight shipping in the Sound, none in the Great Belt.

The main pilot vessel in the Sound and off Gjedser withdrawn. War on merchant shipping is being continued by the KOENIGIN LUISE north of Gotland and by the

CONFIDENTIAL

1 Feb. 1940

CONFIDENTIAL

PREUSSEN and three boats of the 13th Patrol Boat Flotilla in the Hanoë Bay - Oeland-South area.

Submarine Situation.

Atlantic:

Submarines U "25" and U "55" (?) in the operational area.

On passage:

Submarine U "48" to carry out minelaying assignment off Weymouth (Portland).

Submarine U "41" operational area west of Portugal, south of 40° North.

On outward passage:

Submarine U "37" (Hartmann) operational area west of Portugal, north of 40° North.

Submarine U "26" (Scheringer) operational area west of Spain.

On return passage:

Submarines U "31", U "34", U "51" and U "44".

North Sea:

Six submarines were in the operational area off the east coast of England. (Submarines U "13", "21", "24", "56", "58", "59").

On passage:

Submarine U "17".

Heligoland:

Submarines U "20", U "10", U "50" and U "53".

Commanding Admiral, Submarines reports that the operational readiness of the submarines has been delayed on account of the ice.

1 Feb. 1940

CONFIDENTIAL

Merchant Shipping.

London broadcast the following summary in German of shipping arrived in Liverpool:

October 1939	169 ships,
November 1939	172 ships,
December 1939	199 ships,
third week of January 1940	67 ships.

According to an agent's report, eight Greek merchant ships which have been bought by Great Britain left the Piraeus on 24 Jan. for England and twelve more will follow at a later date. They are ships between 200 and 900 BRT and are being transferred to Britain in two convoys.

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.

Special Items.

1. While he was in Kiel, the Chief, Naval Staff inspected the auxiliary cruiser, Ship "16" (Captain Rogge). He was impressed with the efficient condition of the ship and paid tribute to the work of Deschimag in getting her ready. The equipment of the ship is excellent.

Before sailing the ship is to have 14 days' training in home waters.

The tour of inspection of the Minelaying Experimental Command confirmed their excellent achievements. Their labors towards creating a very effective minelaying arm have been untiring.

2. Chief, Operations Branch submitted the operational orders for the LUETZOW and the auxiliary cruiser Ship "16". Chief, Naval Staff gave his fundamental approval.
3. Group West has ordered the proposed minelaying operations by destroyers in the river Thames (ground mines) and in the Haisbro lightship area (ground mines and EMC mines) to be carried out in the February new moon period.

Afternoon: Conference between Supply and Fuel Branch, Group West and Operations Division, Naval Staff.

Particular attention was given to the discussion of anti-submarine operations in the Heligoland Bight, proposed by Group West (in Gkdos. 1502/39 of 29 Jan.).

Plan: A very strong network of anti-submarine barrages is to be built up in the Heligoland Bight. At the same time freedom of movement for our own submarines and heavy units must as far as possible remain unimpaired.

Group West intends to take the following steps:

1. Strengthening of the former anti-submarine minefield diagonally across route "Rot" by a new minefield set at ten meters.

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

- (Disadvantage: The route south of the declared area is practically blocked to large ships.)
2. New UMA-minefield west of light buoy D (depth ten meters).
 3. New UMA-minefield between light buoy C and the peace-time position of Norderney lightship (depth ten meters).
 4. Strengthening of the already existing deep minefields in the Heligoland area by another UMA-minefield (depth ten meters) southwest of Heligoland. Clear passage for large ships to be left west of Heligoland.
 5. No minefields across the deep-water routes to the north, as the necessary depth of setting gives only slight promise of success and our own submarines must not be hampered.
 6. Attempts are to be made to avoid making our own forces use fixed routes; this is not always possible however, in view of the small number of minesweeping units available for the necessary exploratory sweeps.
 7. In view of recent experiences Group West considers it essential to strengthen the submarine chaser units in the North Sea.

Items of Political Importance.

A speech by the Japanese Foreign Minister Arita summarized the aims of Japanese policy as follows: Settlement of the conflict with China, improvement of relations with Russia, desire for settlement of the trade conflict with America, maintenance of good relations with the "Anti-Comintern Powers".

Mr. Chamberlain has announced the formation of a special committee for the increase of exports. Up to now he has been unwilling to create a co-ordinated ministry to deal with economic questions.

According to special reports, General Weygand has made a forceful demand for offensive action in the Balkans by the Western Powers.

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

This demand and its corollary requesting preparations for the operation are said to be directly opposed to the view of General Gamelin, who, it is stated, has denounced such an action in the Balkans as a mere adventure, particularly in view of the resultant supply difficulties.

The following is a reasonably reliable estimate of the troops brought across to date by the Western Powers:

From Britain to France:

First wave:	160,000 men	
Second wave:	150,000 men	
Third wave:	250,000 men	(No exact details of this third wave are available, but it must be taken for granted that it has reached France. A fourth wave is in training in Great Britain.)

From Canada to Europe: 15,000 men to Great Britain
7,000 men to France.

From South Africa: None.

From Australia: 6,000 men on the way at present.

From India: 20,000 men to Egypt.

From Morocco: 60,000 men to France.

From Indo-China: 15,000 men to France ?
50,000 men to Syria.

The number of troops in reserve in Syria is estimated at 120,000. It would take two months to transfer this army to the Balkans and the transfer operation would be discovered in plenty of time. 150,000 men are said to be still in North Africa.

CONFIDENTIAL

Special Reports on the Enemy.Atlantic.Great Britain:

Bearings taken during the last few days show that there are some vessels in the waters between Iceland and North Scotland. At 0815 the British steamer CHELSEA reported a suspicious vessel in grid square 3374, 230 miles south of Iceland. Possibly this was the supply ship ALTMARK.

The Naval Attache, Buenos Aires sent the following information from a reliable report made by a member of the crew of the ACHILLES:

1. The EXETER reached the Falkland Islands well down in the water and with a heavy list. The engines were undamaged. Speed was lowered in view of the danger of the bulkheads collapsing. Temporary repairs were carried out to make her seaworthy and on 12 Jan. she started out on her passage home. Escorts were DORSETSHIRE and SHROPSHIRE (?).
2. The AJAX has been dispatched to Great Britain for engine overhaul.
3. The ACHILLES is proceeding to New Zealand for engine overhaul.
4. The DORSETSHIRE and the SHROPSHIRE are scheduled as reliefs for the AJAX and the ACHILLES on the east coast, also the submarines SEVERN and REGENT.
5. The LEANDER is stationed at Bermuda, the DESPATCH on the west coast and the CUMBERLAND in South Africa (based on Simonstown).
6. The RENOWN and the ARK ROYAL are based on Freetown. The flight deck of the latter was severely damaged by bombs. At first the damage seemed considerable but repairs were executed in quite a short time.
7. The warships' refuelling base is off the river Plate near the Rouen Bank where there are always one or two auxiliary ships armed with three or four inch guns.

2 Feb. 1940

CONFIDENTIAL

According to an agent's report, enemy ships are proceeding from the Panama Canal to Bermuda and are assembled there into convoys.

France:

In the South Atlantic a newly formed Task Force "Y" has appeared, to replace the former Task Force "X" (HERMES, VALIANT, NEPTUNE and the French destroyer) which has already been dissolved. It will probably consist of an old French battleship, two French cruisers, one British cruiser, three French destroyers and four French submarines. (According to the Intelligence Center, Spain the BRETAGNE, TOURVILLE, ALGERIE and about five destroyers passed Gibraltar on westward passage about a week ago.)

All the French vessels lying off the Spanish coast are obviously under a single Commander. The intensive patrolling of the coast continues; some units have been relieved.

North Sea:

A few destroyers off the east coast. Eight enemy submarines were in the North Sea on the morning of 2 Feb.; one submarine was detected by radio monitoring standing on and off on the line Lindesnes - Hanstholm.

A convoy of ore steamers is assembling at Maloy to proceed westwards from there escorted by cruisers and destroyers.

Shipping Losses:

Atlantic:

Norwegian steamer BELPAREIL (7,203 tons) ran aground on the Pembroke coast. The Cardiff steamer PORZELLA (4,751 tons) is overdue.

North Sea:

The Swedish steamer FRAM (2,500 tons) and the Norwegian steamer VARILD (1,100 tons) sank in the North Sea.

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

Own Situation.

Atlantic:

Nothing special to report.

Radiogram to the ALTMARK:

"British steamer reported having sighted a suspicious vessel in AL 3374 at 0815 on 2 Feb."

By order of the Fuehrer the submarine operation "Halifax" planned by Naval Staff is not to take place for the time being because of possible political repercussions in the United States.

North Sea:

Nothing to report; no air operations.

If the present icy conditions continue, the Kiel Canal will probably be completely blocked within the next few days. The SCHARNHORST and the GNEISENAU are still in Kiel after carrying out gunnery exercises; the HIPPER has already proceeded to the North Sea and is to dock for examination of damage done by ice.

Baltic Sea:

The ice situation in Kiel harbor has become so bad that the tugs can no longer tow the ships from one anchorage to another, and it is impossible to supply ships lying at the buoys. If the hard frost continues Commanding Admiral, Defenses Baltic fears complete freezing of the harbor entrances. The sailing of the cruiser EMDEN has therefore been cancelled and the HANSESTADT DANZIG, KOENIGIN LUISE and the three vessels of the 13th Patrol Boat Flotilla have broken off their operations against merchant shipping and been recalled to Swinemuende.

No air reconnaissance, as the land planes in Holtenau are not operational and all the naval air bases are frozen over.

On 21 Jan. a He 111 plane on reconnaissance of the Sound flew over the closed area of Copenhagen roads by mistake owing to poor visibility. The plane immediately turned back; no anti-aircraft gunfire was observed.

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

It is suggested to the Air Force General Staff that the Danish Government be informed of the incident in a friendly manner.

Submarine Situation.

In the Atlantic operational area:

Submarines U "25" and U "55" (?).

(According to the British radio the survivors from the crew of the German submarine which was sunk have arrived in London.)

On passage:

Submarine U "48" northern North Sea.
Submarine U "41" northwest of Ireland.
Submarines U "26" and U "37" Route 2, northward bound.

On return passage:

Submarine U "31" on route "Blau".
Submarine U "34" northern North Sea.
Submarine U "51" north of the Hebrides.
Submarine U "44" west of Ireland.

In the North Sea operational area:

Submarines U "13", U "21", U "24", U "56", U "58" and U "59".

On passage:

Submarine U "17" in the northern North Sea.

The following have been reported missing:

Submarine U "15" as from 2 Feb. 1940 (for the second time).
Submarine U "36" as from 2 Feb. 1940 (for the first time).

Submarine U "31" has reported:

"57° 30' North, 3° 30' East; southeasterly gale lasting six days; was not able to use armament, shipping traffic slight, one miss with torpedo, returning."

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

War against Merchant Shipping.

Up to now Norway has lost 37 ships, a total of 82,104 BRT. In these sinkings 226 sailors lost their lives. (German Official News Service, Oslo.) The number of Danish ships lost since the war began has risen to 16, making about 30,000 to 40,000 tons or 2.5 to 3 per cent of their total tonnage. (German Official News Service, Copenhagen.)

Merchant Shipping.

The motor vessel CORDILLERA (12,055 BRT) belonging to the Hamburg-American Line sailed from Murmansk for Germany at 0400. The ship took on a cargo of phosphates in Murmansk.

In the afternoon:

As a result of special information, the following teletype was sent to Group West, Commanding Admiral, Submarines and Group Baltic:

"Special sources report:

1. 4 Feb. Three enemy submarines to operate off Sylt.
2. 13 Feb. Enemy air forces, supported by units of the Fleet, to operate in the region of the Heligoland Bight. Time: twilight.
3. 14 Feb. At 1030 major attack by enemy air forces. Attack to be concentrated on the battleships in the Wilhelmshaven roads."

Additional note by Naval Staff: Impossible to check the report. Countermeasures left to judgment of Group West.

On 17 Jan. Group West requested that supply arrangements be made at North Base for intermediate landings by transoceanic planes. As the Attache in Moscow does not know Russian reactions to this request, an official inquiry to the Soviet Government would be necessary.

Trials with the Ha 139 and Do 26, the planes which would need to land at North Base, have not yet been completed, so that it is still impossible to estimate the length of flight permitted by the

CONFIDENTIAL

2 Feb. 1940

CONFIDENTIAL

water take-offs necessary at North Base. The estimated range for Ha 139 planes is 2500 km, for Do 26 planes 3000 km, i.e. just barely enough for the flight from North Base to Germany. Until sufficient data is available, an approach to the Soviet Government would be premature. The following reply has therefore been sent to Group West:

"Diplomatic action is necessary before North Base can be used by sea planes. Negotiations cannot begin until the estimated flight lengths permitted by the water take-offs have been confirmed by thorough practical trials. For the present therefore it is out of the question for planes to use the base."

CONFIDENTIAL

Items of Political Importance.

New Russian offensive on the Karelian Isthmus, no striking successes so far. (See Foreign Press Report.)

Diplomatic negotiations between Japan and Great Britain for the settlement of the ASAMA MARU incident are being concluded in a cautious but friendly manner.

For United States relations with Japan see Political Review No. 29.

From a report on the trade negotiations in Moscow it is clear that the Russians are insisting on very short clearing dates. The German delegation is having great difficulty in conducting the negotiations. The conclusion of the treaty has therefore been delayed.

Up to 22 Jan. Russia delivered a total of 21,500 tons of corn and mineral oils, i.e. only a small percentage of the amounts promised.

War against Merchant Shipping.

Once again the Navy's activities in the war on merchant shipping have been discussed in detail with the Naval Liaison Officer to the Air Force Operations Staff, in order to ensure the co-ordination of all combat operations. The material available at Naval Staff for procedure on receipt of protests from neutral countries regarding sinkings was turned over to the Liaison Officer for consideration by the Air Force. The Naval Staff also pointed out to him that it would be advisable for the Air Force to adopt the practice followed by the Naval Staff since the outbreak of war, namely, to support their bombing of merchant shipping by propaganda or to counter foreign protests. All incidents arising from Air Force operations over the sea will be put down to the discredit of the Navy, which, however, under the existing organization has no means of using the propaganda weapon to deny its responsibility.

3 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic:

Great Britain:

Nothing to report.

France:

Usual patrol activity in the Channel and off the Spanish coast, but nothing special to report.

French convoys were observed east of Gibraltar and south and west of Cape St. Vincent.

The Attache in Madrid has confirmed the presence of the destroyer already detected off Cape Finisterre by the Radio Monitoring Service.

The French have handed the Spanish Government an explanation of the activity of the French tug ABEILLE in Vigo, which is keeping watch on the German ships lying there ready to sail. The reason given is that the 50 depth charges lost when a French auxiliary cruiser ran aground off Oms Island have to be removed.

North Sea:

During the night of 2 Feb. unusually heavy shipping traffic proceeding southwards was reported from Aalesund. The number of ships assembling in Bergen has meantime increased to 20.

A report from Trondheim states that neutral ships also normally join the convoys. British warships are said to have appeared repeatedly off Krakenaes. According to a pilot's statement the next convoy can be expected to put out between Bulandet and Krakenaes on about 5 Feb.

Various British press reports give the following picture of the organization and activity of the "Air Coast Guard". (English in the original. Tr.N.) At present the Air Coast Guard is still under the command of the Royal Air Force. It is however to become independent in the near future and have its own fighter and bomber squadrons. At present, apart from the very large R.A.F. flying boats, it has land and sea planes at its disposal.

CONFIDENTIAL

3 Feb. 1940

CONFIDENTIAL

Its operational area is the entire North Sea as far as Norway and in the Atlantic a strip 700 - 1000 miles broad extending from Gibraltar to Iceland. Its assignments are:

- a. Patrol of this area for submarines.
- b. Identification of all steamers proceeding out of convoy in this area. All single steamers must show their flag and they will be photographed from all angles. These photographs will be examined at once after landing in case a disguised enemy auxiliary cruiser has been sighted.
- c. Escort of all convoys, both homeward and outward bound.

Shipping Losses:

Dutch steamer LAERTES (5,825 tons) struck a mine four miles east of the Royal Sovereign lightship. British steamer AMMANISTAN (6,805 tons) torpedoed (Submarine U "25") northwest of Berlengas. British steamer BARON ROTHAVEN (3,200 tons) (damaged in an air attack on 30 Jan.) ran aground in the Tees estuary. More losses caused by today's air attacks.

Own Situation.

Atlantic:

Nothing to report.

North Sea:

Apart from the forces of Commanding Admiral, Defenses North, no activity by surface forces.

Group West has ordered the battleships to proceed to the North Sea to avoid being caught by the ice in the Baltic. The battleship GNEISENAU is therefore proceeding through the Kiel Canal to Wilhelmshaven; the SCHARNHORST will follow later.

The 10th Air Corps is taking part in the war on merchant shipping by armed reconnaissance of the whole of the British east coast and has attacked three enemy convoys

CONFIDENTIAL

3 Feb. 1940

CONFIDENTIAL

and 20 patrol vessels. (20 merchantmen and several destroyers and auxiliary cruisers off Newcastle; 10 steamers and 2 destroyers off Flamborough Head; 15 to 20 steamers, 8 destroyers and 2 submarines northeast of the Humber.)

Four steamers each approximately 2,000 to 3,000 tons (among them one Swedish ship under British escort) and two patrol vessels (east of Flamborough Head) were sunk. Five more steamers and two patrol boats were damaged or set on fire. Strong fighter and anti-aircraft defenses, especially accompanying the convoys. Our own losses were one Ju 88 and three He 111's.

Baltic Sea:

Operations by the PREUSSEN, HANSESTADT DANZIG and boats of the 13th Patrol Boat Flotilla against merchant shipping were abandoned because of the danger that the return passage to port would be blocked if the frost became any harder.

Ice situation unchanged. Solid layer of ice in the western Baltic and from Arcona to Oderbank. East of Oderbank there is a navigable channel, ice floes south of Bornholm.

Submarine Situation.

Atlantic:

Situation unchanged.

Submarine U "31" put in. On her return passage from the minelaying operation in Loch Ewe the submarine fired only one torpedo (miss) because of bad weather and then had to leave the waiting position in the North Sea and return home due to leakage of salt water into the drinking water tank.

Submarine U "41" has been ordered to patrol the area south of Ireland.

CONFIDENTIAL

North Sea:

In the operational area: Submarines U "21", U "24", U "56" and U "17".

Submarine U "59", coming from the Hoofden (northeastern entrance to the English Channel), has reported the sinking of three steamers and one tanker, also one torpedo which missed the target. An excellent achievement.

Submarine U "58" sank one steamer off Kinnaird Head and reports four torpedo failures.

Merchant Shipping.

The American Shipping Company Scantic Line is going to resume traffic between New York and Narvik.

According to Swedish reports, the convoy from which the British steamer VACLITE was sunk by submarine U "55" on 1 Feb. also included - for the first time - an Italian steamer. The Italian Naval Attache is being informed of this.

Naval Staff's request to the Russian Navy for the temporary loan of an ice-breaker was regretfully refused as none can be spared at present.

4 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

There are no special reports on the first meeting of the Supreme Allied War Council held in Paris on 4 Feb.

Conclusion of the Balkan Conference. For official communique see Foreign Press Report. The firm resolve of the four Balkan Pact countries to continue their peaceful policy in the European conflict and their common interest in maintaining peace and security in the Balkans were especially emphasized. The Balkan Pact was extended to seven years. Willingness for friendly co-operation with Hungary and Bulgaria was stressed.

For the speech of the British War Minister Stanley in Newcastle on 3 Feb. see Foreign Press Report. Amongst other things there is a remarkable reference to the vital importance of the British export trade. ("Without our export trade the Navy could not fight, the R.A.F. could not fly, the Army could not fire and the people could not eat.")

Special Reports on the Enemy.

Atlantic.

Great Britain:

At noon the cruiser SHEFFIELD was 120 miles northwest of the Hebrides; the PENELOPE was on trials off Portland. The cruisers DIOMEDE and CERES, at present in the western part of the Channel, will probably be assigned to the West Indies station. The convoy which left Halifax on 28 Jan. consisted of some 21 steamers, among them two large troopships. It reached the entrance to the Channel on 4 Feb.

France:

Patrolling of the Spanish coast continues; the destroyer GUEPARD has been ordered to operate to the limit of her fuel reserves. Two destroyers lying some 60 miles west of Cape Finisterre have been ordered to reconnoiter to a point south of Cape St. Vincent and proceed to Casablanca on 6 Feb. On the evening of 3 Feb.

4 Feb. 1940

CONFIDENTIAL

an unidentified vessel left Croix for Vigo, probably as a relief.

The Attache in Madrid reported that following the transfer of the three German steamers from Bilbao to Gijon, the French patrol vessels are now likewise off Gijon. There may also be one submarine there.

Neutrals:

On putting out from Gibraltar on 4 Feb. the U.S. ship MANHATTAN reported that 557 mail bags had been seized.

North Sea:

The auxiliary cruiser PRINCESS VICTORIA (3,200 tons) was identified on escort duty off the east coast.

In the Harwich region a minesweeper must have been severely damaged, as the destroyer GALLANT reported at 0700 on 4 Feb. that the ship in question was still afloat and that the crew had been taken off. (Result of air attack?)

Submarines were detected 25 miles westsouthwest of Heligoland and north of Terschelling.

Shipping Losses.

The Dutch steamer CERONIA (8,096 tons) sent an SOS signal early on 5 Feb. from a position 120 miles west of Land's End. The tank amidships had exploded. The French steamer COMMANDANT CHARLES MERIC (2,200 tons) struck a mine northeast of the Sunk lightship and sank. The Dutch tanker MAMURA (8,200 tons), which was severely damaged by a mine, has put in to Rotterdam.

Own Situation.

Atlantic.

Nothing to report.

CONFIDENTIAL

4 Feb. 1940

CONFIDENTIAL

North Sea:

Submarine reconnaissance and anti-submarine operations were without success. Nothing to report.

Baltic Sea:

Forces operating against merchant shipping put in with a captured Swedish steamer.

Ice situation unchanged. Solid covering of ice in the Fehmarn Belt and Mecklenburg Bay. Various steamers frozen fast in the ice.

Submarine Situation.

Atlantic:

In the operational area:

Submarines U "25", U "41", U "55" (?).

On passage:

Submarine U "48" off the Shetlands.
Submarines U "37" and U "26" in the northern North Sea.

On return passage:

Submarines U "34", U "51" and U "44".

North Sea:

Situation unaltered.

Merchant Shipping.

The steamer WOLFSBURG (6,200 BRT) put out from Pernambuco. Twelve more German steamers ready to sail in Brazilian ports and six in Vigo.

4 Feb. 1940

CONFIDENTIAL

Economic Warfare.

Intelligence Division, Naval Staff is to discontinue publication of the list containing the names of the neutral firms and ships working for the enemy. It will be replaced by a warning list covering all ships and firms which have made themselves suspicious in any way and therefore need watching (false papers, false details of route or port of destination, neutral receivers as covers for trade with enemy countries, indications of contraband traffic, circumvention of German controls etc.).

Intelligence Division, Naval Staff is also drawing up a comprehensive card index of firms.

CONFIDENTIAL

5 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

It is reported that conferences took place on 4 Feb. between British, French, Belgian and Dutch officers on the subject of joint operations in the event of a German attack on Holland and Belgium.

Russo-Japanese boundary negotiations still without result.

According to reports from Copenhagen, the Danish Government does not expect the Anglo-Danish trade agreement to be called off for the present.

British press propaganda is trying to exploit German air attacks on merchant shipping by branding them as infringements of international law on the part of the German war leaders. In particular the sinking of British unarmed lightships is strongly denounced.

The Scandinavian press again denounces German methods of naval warfare very strongly and maintains that neutral merchant traffic is impossible because of the sinking of neutral shipping without warning. The large number of neutral lives lost is heavily stressed.

Special Reports on the Enemy.

Atlantic.

Great Britain:

Disposition of Forces:

The battleship REPULSE was in the North Channel in the afternoon. The cruiser AURORA lay between the Faroes and the Orkneys.

On the evening of 5 Feb. three destroyers including the HAVOC and ARDENT will arrive from the Bay of Biscay in an area 70 miles northwest of Vigo for patrol and anti-submarine duty. Apart from the two destroyers DECOY and DEFENDER, "C"-class cruisers, probably the CARLISLE and WISHART, are lying off the Spanish-Portuguese coast. The following appear in radio traffic from the west Channel and

5 Feb. 1940

CONFIDENTIAL

Gibraltar: the BROKE, VANOC, WOLVERINE, the destroyers off Vigo and a gunboat.

France:

Apart from the warnings in connection with the positions of submarines U "25" and U "41", other submarine warnings have been given. From another report it appears that the French expect to find four German submarines in the Vigo area. Radio traffic from the patrolling forces was very lively. Among other things the patrols were informed that five more steamers were lying in Vigo ready to sail and that the steamer ARUCAS had sailed from Vigo. The Attache in Madrid reported: A French auxiliary cruiser off the southern entrance to Vigo on 4 Feb., two British destroyers off Cadiz on the line Cabo Roche - Ayamonte, also two French fishing trawlers; air reconnaissance throughout the day.

North Sea:

The British minesweeper SPHINX (875 tons), which was damaged by bombs, sank while an attempt was being made to tow her in to an east coast port. The anti-aircraft gun cruisers CAIRO and CALCUTTA were identified on escort duty off the east coast. The latest reports from Bergen state that the convoy of steamers will probably sail on 6 Feb. and leave the coast north of Floroe.

There are still conflicting reports about Scandinavian neutrals joining enemy convoys. However it is certain that they have done so once already and the enemy is strongly urging this course.

Shipping Losses:

Greek steamer FLORA (2,980 tons) off the Portuguese coast. British steamer BEAVERBURN torpedoed (submarine U "41") 180 miles west of Land's End. Greek steamer EMMY (3,895 tons) ran aground off the southwest coast (mine?). British steamer PORTELET lost in the North Sea (mine). Norwegian steamer SEGOVIA (1,380 tons) and Swedish steamer ANDALUSIA are both overdue.

A speech by the British Prime Minister to the National Defense Committee indicates the heavy strain placed on British shipping

CONFIDENTIAL

5 Feb. 1940

CONFIDENTIAL

during the first months of the war. He stated that a battleship had covered 34,000 miles since the outbreak of war, that a cruiser had spent 102 of the first 120 days of the war at sea and a destroyer had been at sea continuously for 103 days.

Own Situation.

Atlantic:

Nothing to report.

North Sea:

Nothing special to report. No Air Force operations. The anti-submarine hunt, started when submarine U "62" located an enemy submarine off the approach buoy near Heligoland, was unsuccessful.

The battleships dropped anchor in Wilhelmshaven Roads.

Baltic Sea:

Nothing to report.

Ice Situation:

Solid layer of ice in the whole of the Western Baltic and in Swinemuende Bay. Traffic is still continuing between Gjedser - Warnemuende and Trelleborg - Sassnitz.

According to the Swedish press the port of Ystad has replaced Trelleborg as the assembly point for convoys proceeding within Swedish territorial waters. The voyage from Ystad to the northern exit of the Sound will be carried out in two stages, with a stay overnight in Malmoe. The voyage to the north as far as the Norwegian boundary will require two more days as the stretch from Gothenburg takes up a whole day because of ice. As far as the number of escort forces permits, a daily escort service will be provided.

CONFIDENTIAL

Submarine Situation.Atlantic:

Submarine U "25" reported position off the Portuguese coast; she has commenced her return passage. Starboard exhaust valve and starboard diesel out of order, she has only limited diving capacity. Has sunk the ARMANISTAN from a convoy, a British auxiliary vessel, a Swedish tanker, two Norwegian vessels, a total of 26,000 tons. As submarine U "25" cannot now carry out the plan to support the German steamers putting out of Vigo by attacking the enemy patrol forces off the coast, submarine U "41" has been ordered to take up position off Vigo. Situation otherwise unchanged.

North Sea:

No change. Submarine U "59" put in to Heligoland. The following are now lying in Heligoland:

Submarines U "28", U "9", U "50", U "53", U "62", U "63", U "59", U "33".

Submarine U "54" on passage.

For brief report from submarine U "20" see Part B, Vol. IV. The submarine which was operating for 1½ days in the area south of the Shetlands sank three steamers and reported one torpedo failure.

Merchant Shipping.

From Madrid it is reported:

The following are ready to sail:

from Cadiz	1 ship
from Seville	4 ships
from Vigo	6 ships
from Gijon	3 ships.

Because of the close watch kept on the ports and along the whole of the Spanish coast by patrol ships, destroyers and planes, the only

5 Feb. 1940

CONFIDENTIAL

chance of a successful breakthrough to the open sea seems to be during extremely poor visibility.

From various reports it appears that some of the crews of the German merchantmen seized by the enemy have at least tried to scuttle their ships to avoid capture, but that the enemy prize crews have still managed to prevent this by promptly closing the valves.

The steamer WINDHUK which was seized in Santos is now under very strong guard by military personnel attached to the port commander.

The Naval Attache in Rome has reported that Admiral Cavagnari, Under-Secretary of the Italian Navy, takes the following view of German naval warfare up to the present and its prospects. The statement is based on information from a very reliable agent.

"While acknowledging German achievements in naval warfare, Admiral Cavagnari and his supporters are of the opinion that the methods we employ can have no decisive effect on the war. It is true that the British merchant fleet has suffered heavy losses, but not of the type to make Britain sue for peace. To achieve that, roughly half a million tons of British merchant shipping would have to be sunk per month. At the present rate of sinkings the British could continue the war for years and to a certain extent even replace the lost ships by new constructions and new acquisitions. Germany will have to intensify her methods in naval and air operations and probably will even have to force the issue on land and against France. Moreover the Deputy Chief of the Italian Naval Staff, Admiral Somigli, is taking up a very hesitant attitude towards immediate practical co-operation with the German Naval Staff. Apparently he is waiting for a large-scale German offensive before throwing Italy's military weight into the balance. In a letter to the Naval Attache Somigli explained that the situation upon which the decisions of the Friedrichshafen conference were based was changed by the course of the European conflict, and that in particular the war 'broke out long before the expiry of the period which the Friedrichshafen conference considered necessary for essential military preparations'. If the Italian Navy is to co-operate with the German Navy in the war in Europe both the general and detailed arrangements must first of all be revised and suited to the new geographical and strategic situation and the relative strength of the opposing forces in the various theaters. The main lines of the Friedrichshafen agreements would, however, still hold good."

(Also see Part C, Vol. VIII.)

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.Special Items.

1. The Fuehrer has decided that operations by the Air Force against merchant shipping are to be extended to all shipping in the "War Channel" (original text. Tr.N.) as far as the Thames. The only exception will be those ships marked clearly with a Maltese cross, which are obviously Danish treaty ships. By order of the Fuehrer the friendly neutrals will be given another emphatic warning.
2. Operation Halifax was temporarily postponed by the Fuehrer for political reasons (see remarks, War Diary, Part B, Vol. V, Page 96). The German Foreign Minister has no basic objections to the execution of the operation and it is intended to approach the Fuehrer again. Chief, Naval Staff has ordered that all preparations for the proposed operation be continued.
3. Following the location of an enemy submarine directly off the entrance to Heligoland, Chief, Naval Staff has ordered an investigation to be made with a view to laying hawser-booms and net barrages there.
4. Group West has informed us by teletype that a sufficient number of submarines will not be available until 14 Feb. For this reason the operation by the battleships is to be postponed till then, especially as the next convoy is not expected to put out until that date.

The fresh postponement of the battleship operation until the date when the next convoy is due to sail is an unavoidable necessity. Naval Staff however still considers it a mistake to time the operation according to the date when an adequate number of submarines will be ready, as battleship operations must not be made to depend on simultaneous submarine activity. To wait for an adequate number of submarines is a dangerous policy, which may lead to the battleships missing outstandingly favorable opportunities for action which may never recur.

Moreover Naval Staff's view is that this battleship operation should not be regarded and prepared as a single large-scale action but that every effort should be made to exploit the present

6 Feb. 1940

CONFIDENTIAL

extremely accurate radio monitoring reports, so that such sweeps into the northern area become a permanent activity constituting an effective threat to Britain's northern trade routes.

5. Instructions have been issued by the Armed Forces High Command on the basic principles and execution of decoy operations. (See communication from the Armed Forces High Command in records of Naval Staff.)

Items of Political Importance.

It can be taken as fairly certain that the ASAMA MARU incident will be settled by a compromise. Great Britain is said to have declared that she is prepared to make partial compensation by handing over nine Germans unfit for military service out of the 21 detained. Tokyo is said to have promised London not to transport any belligerent nationals liable for military service aboard Japanese ships. This solution would indicate far-reaching Japanese concessions.

According to a report from Washington the Government has decided to refrain from sending further sharply worded notes to Britain on the neutrality question. In future all differences will be settled by personal discussions in Washington and London. The reason given for this decision was that Germany might draw false conclusions regarding U.S. policy from such official exchanges of notes.

For the plans to create ministries with special powers for co-ordination see Political Review No. 31.

Special Reports on the Enemy.

Atlantic.

Great Britain:

Disposition of forces:

The battleship REPULSE was detected this morning off the Isle of

CONFIDENTIAL

6 Feb. 1940

CONFIDENTIAL

Man and is probably proceeding to the Channel. According to radio bearings the cruiser SHEFFIELD is off the Scottish coast north of the North Channel. The cruisers EMERALD and ENTERPRISE formerly operating on the North Atlantic route are off the west coast of England and in the eastern Atlantic respectively. As the mail for the RENOWN and the ARK ROYAL has been kept in Britain these ships are presumably returning home.

Intelligence Center, Spain reported at 1400 today: A convoy of 30 ships has left Gibraltar in a westerly direction.

The Consul in Reykjavik reported: Ten groups, each of five to six fishing vessels, are fishing northwest of Iceland. Two of the vessels in each group are armed. There is no ice as far as 40 miles northwest of Iceland, no information for the area beyond that.

France:

Patrolling off the Spanish coast continues. Some of the destroyers have been relieved. According to a report from the Attache in Madrid, 1 destroyer, 1 submarine and 1 patrol vessel are lying off Vigo. Every night a French tug lies at the narrowest point of the entrance to Vigo Bay. Other destroyers are patrolling the sea area some 60 miles west of the coast.

North Sea:

Nothing to report.

The following submarines are operating in the North Sea; they were identified by name: TRUANT, TRIAD, SEAWOLF and SUNFISH.

Shipping Losses:

British steamer VERBORMILIA (3,274 tons) aground midway along the Channel coast; British steamer ELTON PARK (5,184 tons) aground and broken up in the Bristol Channel; British tanker BRITISH COUNSELLOR (7,050 tons) lost in the North Sea on 3 Feb. (mine); British steamer ZITELLA (4,250 tons) aground off Kinnaird Head. (Sent SOS.)

CONFIDENTIAL

6 Feb. 1940

CONFIDENTIAL

Reports from the Neutrals.

1. Russo-Finnish Conflict:

According to official information from the Russian Government, the blockade area around Finland will be narrowed slightly at the southeast corner opposite Baltic Port from 6 Feb. onwards.

2. According to intelligence reports from Sweden, a vessel formerly on the Sassnitz - Trelleborg ferry service and two 1,300-ton merchant ships are again armed and commissioned as auxiliary warships.
-

Own Situation.

Atlantic:

Nothing to report. The ALTMARK was informed that no ice was discovered up to 40 miles northwest of Iceland.

North Sea:

Nothing to report. Ice in the river estuaries is a serious hindrance.

Baltic Sea:

Ice situation unchanged. A navigable fairway was established in the Kogrund and Flint channels. The Swedish Navy announced that the fairway here and in the rest of the Sound would be kept open by ice-breakers.

The Swedish Naval Attaché requested that a Swedish ice-breaker, scheduled to proceed from the Baltic to the west coast of Sweden, be piloted through the German minefield in the Sound. The request had to be refused as the position of the mines is not known and the ice has swept away the minefield markings; moreover it is not in Germany's interest that icebreakers should keep open the route allowing shipping bound for England to proceed freely from the western Swedish ports.

CONFIDENTIAL

Submarine Situation.Atlantic:

Submarine U "41" has been ordered to make "hit and run" attacks on the French patrol forces off Vigo from 7 Feb. onwards, as far as possible in the evenings. She was informed at the same time of the proposed sailing of the German steamers.

Submarine U "25" has commenced her return passage.

Submarines U "50" and U "53" have sailed from Heligoland and are proceeding to the Atlantic operational area.

Submarine U "34" has returned from operations.

Situation is therefore as follows:

In the operational area:

Submarine U "41".

On passage:

Submarines U "50", U "53", U "26", U "37", U "48".

On return passage:

Submarines U "51", U "44", U "25".

North Sea:

Thick fog in the inner Heligoland Bight caused considerable difficulty and delay for submarines putting in and out and for the execution of trials in the area east of Heligoland, especially since the SCHLESSEN, which was put into operation as an ice-breaker, could not pass through the Wangeroog Channel due to poor visibility. On returning from the operational area northeast of Kinnaird Head, submarine U "13" reported sinking one steamer from a convoy under way and another steamer from a convoy at anchor. Submarine U "21" likewise reported sinking two steamers; she is in the central North Sea, homeward bound. Submarine U "9" sailed to carry out a minelaying assignment in the Cromarty Firth. Otherwise no changes.

6 Feb. 1940

CONFIDENTIAL

Merchant Shipping.

Northeastern Sea Route:

The Naval Attache in Moscow has lately made an exhaustive report on the possibilities of the northeastern sea route. He considers it quite feasible to make the passage, even the outward and return run, in one navigational period if careful preparations are made, the sailings are punctual and any unnecessary delays are scrupulously avoided. In 1939 the Russian program was fulfilled 120%. The setbacks in 1938 and especially in 1937 were caused by human limitations and the Russians have learnt from this. To date, ships up to 4,000 BRT have got through. Fairway conditions depend mainly on the wind. Ships have accomplished the passage without the help of ice-breakers. If necessary, ships could also sail without ice-strengthening. Consultation with the Soviet Polar Organization is of vital importance (air - ice reconnaissance, weather forecasts, ice-breaker service and organization of requests for ice-breakers).

The Attache's report promises very good prospects as regards the possibility of a passage by the northeastern sea route. The necessary practical preparations will be made. The route will be used primarily by merchant shipping. Possibly the auxiliary cruiser HSK "7" (Captain Eyssen) may also make her outward passage by this route and her equipment must be adapted accordingly.

CONFIDENTIAL

Items of Political Importance.

1. According to an official German report Spain's attitude to Germany continues to be entirely friendly. The British and French are still making great efforts to influence Spanish opinion. Italy is also trying to earn Spanish goodwill. Internal political unrest has lately increased in Spain.
2. An official German message states that Costa Rica, in connection with the formation of the Pan-American neutrality closed area, has conceded the U.S.A. the right to assume control of coastal shipping in Costa Rican waters. For this purpose U.S. warships and planes may at any time pass through territorial waters without previous notice or other formalities.
3. The Naval Attache in Copenhagen reports great unrest in Denmark because of the catastrophic development of the coal supply situation resulting from the loss of Danish ships and the increasing number of shipping companies and seamen refusing to undertake the voyage to Great Britain. Supplies of coal are endangered, agricultural production is severely affected. Admiral Rechnitzer has requested the German Navy, via the Naval Attache, to take suitable steps to meet Denmark's difficulties. A similar approach has also been made via the Foreign Office. (For further particulars see War Diary, Part C, Vol. VIII.) The question will be investigated thoroughly by Naval Staff.
4. In an official German report, Japan's internal situation is judged as very uncertain and difficult owing to failures in foreign policy and considerable social trouble inside the country.

Special Reports on the Enemy.Atlantic.Great Britain:

The destroyers HAVOC, ARDENT and one destroyer of the "W"-class are patrolling 120 miles west of Cape Villano in order to intercept German merchant ships.

7 Feb. 1940

CONFIDENTIAL

The ARK ROYAL, RENOWN and EXETER left Freetown for Great Britain on 6 Feb. The ARK ROYAL is proceeding at 22 knots and will be about 200 miles northwest of Madeira on 11 Feb.; the two other units are proceeding at only 16 knots because of the EXETER and will be about 200 miles west of Madeira on the morning of 11 Feb. A British patrol boat was severely damaged in the Dover area in the evening.

France:

The area off Vigo is being covered by air reconnaissance to guard against the German steamers putting to sea. One submarine is in a waiting position 100 miles west of Vigo, other submarines are suspected in that area. One submarine sailed from Brest as a relief.

One destroyer is reported north of Gijon. The submarines in the West Indies are being informed of the movements of the German steamer MONTEVIDEO.

North Sea:

The enemy submarine in the Lindesnes area is being relieved; another was discovered between the Elbe and the Jade estuary by radio intelligence.

The known positions north of Texel and in the middle of the western edge of our declared area are still occupied. Two British submarines left a port in the Harwich area early on 7 Feb.

Radio monitoring has detected the Commander in Chief, Home Fleet at sea in the northern area. He is probably in the vicinity of Scapa. Comprehensive air reconnaissance is being carried out in the direction of the Norwegian coast as far as 63° N. The movements of the Home Fleet and the air reconnaissance over the northern North Sea may possibly be connected with the sailing of a Norwegian convoy. Possibly however they may have some connection with the ALTMARK's return or with suspicions about attempts of German raiders to break through into the Atlantic. Finally, we cannot exclude the possibility that some sort of intelligence received (e.g. news that the battleships have moved to Wilhelmshaven) has led the enemy to believe he must expect an operation by German forces against the Norway - U.K. convoy traffic and hence he considers it necessary to provide stronger escort and take greater precautions.

CONFIDENTIAL

7 Feb. 1940

CONFIDENTIAL

According to a report telephoned from Bergen, the convoy is not to be expected until about the end of the week.

The Naval Attaché in Oslo has sent the following detailed report on convoy traffic between Norway and the U.K. His information is taken from consuls' reports:

The ships proceeding to Great Britain from south and southwest Norway have lately been assembling in the Bergen area at fairly regular intervals of eight to ten days. As the last collective voyage commenced from Bergen early on the morning of 27 Jan., the next trip should take place roughly between 3 and 6 Feb. The sailing date is fixed by the Admiralty, who seem to be guided by weather and air reconnaissance reports over the North Sea.

It is not known whether the information is communicated by cipher telegram to the British Consulate in Bergen or by radiogram to the shortwave station. We have learnt that the captains of the steamers joining the collective voyage are not informed of the exact hour of sailing until shortly before they put out. This fact is apparent from remarks made by pilots that they have to stay on the steamers for days on end without knowing the sailing date. Twice during January the Norwegian torpedo boat OLAV TRYGGVASON accompanied the steamers proceeding north out of Bergen. How the torpedo boat is informed of the ships' time of departure from Bergen is unknown.

On several occasions more than 40 ships of various nationalities were observed in the waters around Bergen; these put to sea one after another as if at command and set course northwards in an unbroken chain. The Consul at Haugesund stated that a short time ago a German steamer proceeding southwards passed such a collection of 40 steamers on a northerly course north of Bergen in just under one hour. The percentage of British ships in this collection, which was accompanied by the Norwegian torpedo boat OLAV TRYGGVASON, is said to have amounted to approximately 10 %. The Norwegian torpedo boat was apparently proceeding about a mile ahead of the leading ship.

The Consul at Haugesund is convinced that the group of steamers sails roughly as far as the 61st parallel in Hjeltsfjord and then sets course for Great Britain. Before leaving territorial waters the ships coming from Sognefjord join them; these sail roughly at the same time as the steamers from Bergen. The group of steamers from Bergen generally sails at midnight.

CONFIDENTIAL

7 Feb. 1940

CONFIDENTIAL

The exact points at which the steamer groups leave Norwegian territorial waters have not yet been definitely discovered. According to earlier reports, they keep to the coast as far as Floroe. Lately, however, German steamers between the 61st and 62nd parallels have no longer sighted steamer groups on a northerly course inside territorial waters.

There is no doubt that the ships proceeding in company in Norwegian waters form British convoys and that a considerable number of neutral and Norwegian ships make the trip to Great Britain in British convoy.

The special attraction is not so much the protection by British warships during the trip as the fact that in convoy they can more easily avoid the mined area. British propaganda claims that the escorting British warships are in constant communication with the Admiralty, so that the convoy can be re-routed according to the naval situation. A ship sailing alone, on the other hand, must keep to the courses given to her on departure and hence is not warned of newly discovered minefields. It is reported that recently even ships sailing in ballast to fetch coal from Great Britain to Norway have joined convoys to England.

Shipping Losses.

Atlantic:

British steamer MUNSTER (4,305 tons) exploded in the Irish Sea (mine).

North Sea:

British steamer SEVERN LEIGH (5,250 tons) sank after a collision in Leith Roads. Estonian steamer ARGO (1,575 tons) struck a mine off the east coast of Scotland.

Own Situation.

Atlantic:

Nothing to report.

North Sea:

No particular activity and no air operations owing to thick fog.

CONFIDENTIAL

7 Feb. 1940

CONFIDENTIAL

Baltic Sea:

Nothing to report.

Ice situation unchanged. No air operations owing to the weather.

Submarine Situation.

The submarines ready to sail on operations or engaged in trials are struggling against the difficulties caused by ice and fog.

Submarine U "50", which was temporarily aground on the Heligoland dunes, is now lying in Heligoland again. She is to sail on 8 Feb. Submarines U "51", U "58" and U "59" are waiting at lightship F for an ice-breaker escort in order to put in to port.

In the Atlantic operational area:

Submarine U "41" Bay of Biscay.

On passage:

Submarine U "33" route "Grün".
Submarine U "53" route "Grün".
Submarines U "26" and U "37" southwest of the Hebrides.
Submarine U "48" northwest of Ireland.

On return passage:

Submarine U "44" northern North Sea.
Submarine U "25" northwest of Finisterre.

In the North Sea operational area:

Submarines U "17" and U "56" Shetland area.

On passage:

Submarine U "9" proceeding to the Cromarty Firth via route "Grün".

CONFIDENTIAL

7 Feb. 1940

CONFIDENTIAL

On return passage:

Submarines U "21" and U "24" at northern entrance to route "Blau".

For U "34"'s brief report on operations in the period 11 Jan. to 6 Feb. see Part B, Vol. IV.

For Commanding Admiral, Submarines' operational order for submarines en route for the Atlantic see file "Naval Warfare", Vol. IV.

Assignments:

- a. Submarine U "33" (von Dresky): execution of minelaying operation in the Clyde.
- b. Submarine U "26" (Scheringer), submarine U "50" (Bauer) and submarine U "53" (Grosse) to operate 200 to 300 miles northwest of Spain as per orders issued (see Operational Order Atlantic No. 23).

Since there has been no further opportunity for the submarines to be run-in while still in home waters, their commanders were ordered to choose courses far from the main patrolled areas and not to go into these dangerous waters until the crews are thoroughly trained. The submarines will then be assigned to an area about 300 miles off the Spanish-Portuguese coast - operational area "Rot". Commanding Admiral, Submarines reserves the right to direct them closer to the Spanish coast after a certain interval or if no traffic is met in area "Rot". Area "Blau" northwest and west of Cape Finisterre is scheduled as alternative area.

The senior officer and the tactical leader of the three submarines is the commander of submarine U "53" (Lt. Commander Grosse).

- c. The operational order for submarine U "48", Lt. (s.g.) Schulze, (see Operational Order Atlantic No. 22) provides for the execution of a minelaying operation off Weymouth (Portland). On the outward

CONFIDENTIAL

7 Feb. 1940

CONFIDENTIAL

passage she is to make for British operational areas and bases in order to seek opportunities to attack warships. The submarine is to take up a position in the strip between 49° 20' N and 50° 10' N and will sail from here to execute the minelaying assignment as soon as weather and light conditions are favorable.

Merchant Shipping.

Nothing to report.

War against Merchant Shipping.

The Latvian merchant steamer AIJA, which was taken in to a Baltic port, was released on 16 Jan. after the Swedish Consul General in Hamburg had declared he would guarantee her. We have now definite proof in the confiscated mail that despite the guarantee the ship's cargo of flax was destined for Great Britain. Commanding Admiral, Defenses Baltic has been ordered to seize the ship again. Owing to ice conditions she is still in harbor.

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.Special Items.

1. With reference to the requests presented by the Danish Navy to the Naval Attache in Copenhagen, Chief, Naval Staff has ordered that independent of the results of further investigations an immediate reply should be sent to the Commander in Chief of the Danish Navy. This will express the lively interest of the Commander in Chief of the German Navy in the problem brought to his notice by Admiral Rechnitzer (see War Diary 7 Feb.) and promise a prompt and thorough investigation. It must, however, again be pointed out that as the situation grows more and more involved the danger to neutral shipping proceeding to Great Britain will become more acute in consequence of the offensive measures taken by both belligerents. Further, it must be stressed that German naval forces have very strict orders to adhere to the terms of the German Prize Regulations. Naval forces are especially punctilious in their observation of the agreement about the Danish "Maltese" ships. It would, however, be a good plan to take steps to render these ships definitely recognizable also from the air.

For the rest, as the questions broached by the Danes raise issues far exceeding the Navy's sphere of action, Naval Staff will take the opportunity to refer the matter to Armed Forces High Command (Special Staff for Mercantile and Economic Warfare) for further examination. The main points are as follows:

- a. Naval Staff must reject all measures which increase the safety of voyages to Great Britain. It is in our interests to maintain and aggravate the present state of affairs in which shipping is scared of the trip to Great Britain. Safe routes for neutral shipping cannot be provided.
- b. The danger from mines in British waters will continue to increase.
- c. It may be possible to undertake further extension of the Maltese Cross system in order to raise Danish imports of coal from Great Britain. Otherwise an

effort must be made to lighten the Danish problem by delivery of German coal supplies. (Denmark to furnish rolling stock and arrange for transportation of the coal from Rotterdam.)

The Foreign Office and the Special Staff for Mercantile and Economic Warfare will be informed accordingly. (See letter dated 8 Feb. in War Diary, Part C, Vol. VIII.)

2. The question of whether the strategic situation will allow the aircraft carrier GRAF ZEPPELIN to operate in the North Sea, Northern Waters or Atlantic does not yet permit of such a definite answer as would compel a demand for work on her to be continued. On principle Chief, Naval Staff has decided that the carrier is to be completed. Reasons are as follows:
 - a. Naval Staff sees operational possibilities for the carrier in sorties into the Atlantic in conjunction with the battleships, especially after the completion of the BISMARCK and TIRPITZ.
 - b. Further developments in the military and strategic situation cannot yet be foreseen. It would be fundamentally incorrect to abandon a weapon like the aircraft carrier at the present time. She will not be ready to take part in operations until the middle of 1941 at the earliest, i.e. at a time when the military situation may offer more favorable operational possibilities for a carrier than is the case today.
 - c. Her trials must begin in good time, since she is the first carrier-type vessel in the German Navy. If the carrier is to be used successfully on reconnaissance and combat assignments she must be equipped with suitable and efficient carrier planes. Naval Staff's urgent request for the provision of the necessary planes is therefore to be submitted afresh to Commander in Chief, Air Force, Operations Staff.
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8 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

In the House of Commons Mr. Chamberlain emphasized the valuable results attained in co-operation with France at the recent session of the Allied War Council in Paris. He declared that additional aid for Finland is on the way.

Brussels denies the rumors that general mobilization is imminent in Belgium.

The execution of the two members of the I.R.A., Barnes and Richards, condemned to death by Great Britain for bomb outrages, is causing great excitement and indignation in Eire and among Irishmen in England.

For the situation in the Russo-Finnish conflict see Foreign Press Report.

For Turkey's attitude to the Weygand Plan see Political Review No. 33.

There have been some noteworthy comments in the U.S. press on the subject of German methods of naval warfare. German air attacks on British merchant shipping are designated as a serious threat to Britain's food. The Washington Post writes: Great Britain, who is besieging Germany, now recognizes that she is herself in a very serious state of siege.

Reports from France indicate that her relations with Russia are deteriorating. Diplomatic relations between the two countries may possibly be broken off. Turkish troops have occupied the building yard of the Krupp-Germania Works in the dockyard at the Golden Horn. The German personnel were ordered to leave their work at once. This measure has apparently been taken because of the fear of espionage and acts of sabotage. For a long time past the Navy has been pointing out that the Turkish attitude compelled the withdrawal of German personnel.

Special Reports on the Enemy.

Atlantic.

Great Britain:

Several bearings have recently been obtained on a few vessels at sea in the Northern Patrol area.

CONFIDENTIAL

8 Feb. 1940

CONFIDENTIAL

A British auxiliary cruiser left Belfast for the South Atlantic on 6 Feb. The British Admiralty has sent a message to all ships making for Liverpool, advising them to proceed up to the direct vicinity of Morecambe Bay lightship and then hug the coast as closely as compatible with safe navigation. Admiralty accepts no responsibility.

This new warning is probably the result of the British steamer MUNSTER (later identified as Irish) having run aground.

The War Office announces that more Canadian troops have arrived safely in Great Britain on board well-known transatlantic liners proceeding under escort. The Second Canadian Division is not to leave Canada until the First Division, at present in Great Britain, has been moved to the front in France.

France:

The cruiser GLOIRE and another vessel were in the Bristol Channel and at the western exit of the Channel in the forenoon.

Patrolling along the Spanish coast and off Vigo is again confirmed.

Radio monitoring detected various convoy movements.

Neutrals:

The Attache in Madrid had a conference with the Minister for the Navy during which the latter mentioned the tug ABELLE in Vigo which is holding up the sailing of the German steamers. The Minister was annoyed at the slackness of the Spanish Naval Commandant and issued orders that the tug's activity should cease, her daily putting in and out of port be forbidden and her radio station shut down.

North Sea:

An unidentified cruiser and several destroyers are at sea in the Firth of Forth area.

An east coast convoy has been detected in the Wash area. The cruiser CALCUTTA is on escort duty.

According to reports from Bergen, most of the steamers waiting there have sailed northwards under escort by the Norwegian

CONFIDENTIAL

8 Feb, 1940

CONFIDENTIAL

warship OLAV TRYGGVASON. According to statements from Danish fishermen, British destroyers appear regularly to the west of Bergen.

Shipping Losses.

The British steamer CONSUELO (4,840 tons) ran aground in the Humber estuary.

For enemy situation according to radio monitoring and activities of main British formations see Radio Monitoring Report No. 5/40.

Special Items.

1. German air attacks on merchant shipping along the east coast of Great Britain have led to increased patrol activity and to the additional use of further protective forces. In the near future we can expect all merchant shipping off the British east coast to be under protection or escort. Auxiliary cruisers as well as a number of anti-aircraft cruisers are now operating on the east coast.

No offensive activities by British and French forces.

2. Overhaul and repair of vessels of the British Fleet are proceeding according to plan. For this purpose forces abroad are being extensively recalled and relieved.
 3. Very lively convoy and patrol activity on the route from the Mediterranean West African coast to Great Britain - France. Extremely close co-operation between British and French forces.
 4. British and French patrol forces are carrying out large-scale operations to the limit of their capacity along the entire Spanish coast in order to intercept German steamers.
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CONFIDENTIAL

8 Feb. 1940

CONFIDENTIAL

Own Situation.

Atlantic:

Nothing to report.

North Sea:

Unsuccessful exploratory sweep by the 6th Torpedo Boat Flotilla on Route II.

At 1800 patrol boat "204" reported an enemy submarine ten miles west of Blaavandshuk (between Hornsriff and Vyl lightship). Chased until 2140. Attack with depth charges produced no visible results. The battleship GNEISENAU's screw was damaged by ice when crossing to Wilhelmshaven and will have to be changed.

Baltic Sea:

Nothing to report.

Ice situation worse.

Submarine Situation.

Nothing special to report.

Atlantic:

Submarine U "51" returned from operation (for brief report see Part B, Vol. IV), submarine U "50" sailed for the operational area. Otherwise situation unchanged.

North Sea:

In the operational area:

Submarine U "56" near the Shetlands.

On return passage:

Submarines U "17", U "21", U "24".

CONFIDENTIAL

8 Feb. 1940

CONFIDENTIAL

Returned from operations:

Submarines U "59" and U "58".

On passage:

Submarine U "9".

Merchant Shipping.

The CORDILLERA (12,000 BRT) has returned home from Murmansk. The steamer CONSUL HORN (7,772 BRT) has reached Norway from overseas. The ship sailed from Aruba on the evening of 9 Jan., proceeded camouflaged as a Russian, met the cruiser ENTERPRISE on 27 Jan. at 45° N, 40° W and was ordered to Kirkwall, but could not be taken in prize due to bad weather. The CONSUL HORN is the fourth of the five ships which succeeded in escaping from Central America. The steamer BAHIA (4,167 BRT) (left Bahia 5 Jan.) has also arrived in Narvik.

Of the five ships which sailed for home from overseas in December 1939, two have been lost through enemy action, two have arrived home and one sank after colliding with an iceberg. Five ships sailed for home from overseas in January 1940; of these two have arrived home to date, one was lost through enemy action and two are still at sea. One of these is due in Norway within the next few days.

The Danish press, referring to the "uncontrolled" German air attacks, emphasizes that no Danish ships are sailing in convoy to Great Britain. Denmark's economic situation however compels her shipping to carry on trade with Great Britain.

CONFIDENTIAL

Items of Political Importance.

1. The Norwegian press is continuing its violent attacks on the indiscriminate Air Force raids employed in the so-called intensification of the German war on merchant shipping.
2. The Belgian Foreign Minister has expressed the hope that Belgium will succeed in maintaining her neutrality. Any attempt to march through Belgium would come up against very great difficulties on account of the extensive development of the country's defenses.
3. Under-Secretary of State Sumner Welles will go to Europe in the immediate future on behalf of the President of the U.S.A. He is to visit Italy, France, Germany and Great Britain. The sole purpose of this journey is to gain information on the European situation for the President and the Secretary of State. Mr. Welles has no instructions to negotiate or act as mediator.
4. A statement by Count Ciano says that direct military intervention by the Western Powers in the Balkans might result in intervention by Italy, but for the time being she would not interfere in any actions in the Black Sea or the Crimea.

Special Reports on the Enemy.Atlantic.Great Britain:Shipping Movements:

The WARSPITE, HOOD group with one cruiser, probably SHEFFIELD, and one destroyer flotilla sailed from the Clyde at noon on 9 Feb., probably to relieve the REPULSE, RODNEY group, till now at sea. The ARK ROYAL, RENOWN and EXETER are probably proceeding to Channel ports (Portsmouth or Devonport) and will arrive at the western entrance to the Channel about 13 or 14 Feb. The DIAMOND and DAINTY are probably with them. On the evening of 8 Feb. the position of a German submarine sighted by a steamer was transmitted

9 Feb. 1940

CONFIDENTIAL

to the group. According to Daventry, the DORSETSHIRE has arrived in Buenos Aires for a short visit.

France:

The French patrol units along the Spanish coast and the submarines patrolling between Barbados and Port of Spain are kept informed of the sailings and movements of German steamers. The submarines are based on Fort de France.

North Sea:

Enemy planes penetrated into the Heligoland Bight. Unsuccessful bomber attack on submarine chaser "B" twelve miles northwest of Wangeroog. Otherwise no special reports on the enemy.

Shipping Losses.

The Egyptian steamer GEORGES MABRO (2,477 tons), out of control between Eddystone and the Lizard. The British steamer SEA RAMBLER (2,327 tons) sent an SOS from 600 miles east of Newfoundland. The British steamer CHAGRES (5,406 tons) torpedoed and sunk on the northwest coast. The French steamer MARIE DAWN (2,956 tons) sunk on the southeast coast (mine). Various steamers sunk or severely damaged by air attacks. Two patrol boats sunk by bombs (the trawler ROBERT BOWEN (290 tons) and FORT ROYAL (351 tons)).

In connection with the loss of the steamer MARIE DAWN - struck a mine - it is to be noted that according to information at hand the ship left the mine-free channel along the southeast coast when taking evasive action against an Air Force bombing attack. Consequently she struck a mine outside the swept channel. This incident shows how the air raids, by heightening the uneasiness of the merchant ships proceeding along the heavily mined east coast, can induce them to take evasive action. This in its turn brings into effective operation mines lying to one side of the route and already written off by the enemy as "spare" in view of his sailing directions. Air and sea operations can thus complement one

CONFIDENTIAL

another and even if the bombing attack fails to hit the target, it can force the ships into the mined area and so bring about their destruction.

Own Situation.

Atlantic:

No reply from the supply ship ALTMARK. The ship should now be on her breakthrough through the Iceland area. The ALTMARK was informed that the steamers CONSUL HORN and BAHIA, coming from overseas, passed unnoticed 30 miles north of Iceland without meeting ice and reached Norwegian territorial waters.

North Sea:

The 1st and 4th Destroyer Flotillas sailed according to plan to carry out minelaying in the Thames (Ship Wash) and at Haisbro lightship. Commander, Destroyers is on his way with a cover force. In all, ten destroyers are at sea for the operation. 10th Air Corps is assisting the operation by checking up on the lightships.

Commander, Naval Air Force had to break off air reconnaissance because of the breakdown of three planes.

The 10th Air Corps is incorporating operations against merchant shipping in the general framework of its armed reconnaissance against the east coast of Britain. Most of the attacks are in the War Channel. One convoy off Crail, two patrol boats and eight armed merchant ships have been attacked.

Successes:

Two patrol boats (ROBERT BOWEN, FORT ROYAL) and one merchantman sunk. Five merchantmen damaged by bomb hits.

9 Feb. 1940

CONFIDENTIAL

Own Losses:

One He 111 shot down, one Ju 88 missing after a forced landing in the North Sea. (See Air Situation for 10 Feb. and Combat Report, Part C, Vol. V.)

Baltic Sea:

Solid covering of ice in the western Baltic as far as the longitude of Arcona. Narrow channel open in the Sound, but only very slight traffic under most difficult conditions.

The Swedish Navy has requested permission for the icebreaker YMER to call at Danzig in about four to five days, for the purpose of taking out Swedish colliers and bringing in new ships. Permission was granted. Estonia has also requested permission for an icebreaker to enter Danzig and bring out Estonian ships, also to take on 2,000 tons of coal for her own use. Permission to do this was likewise granted, but the coal for the icebreaker is to be delivered at Gdynia so that the channel to this port can also be cleared.

Submarine Situation.

Atlantic:

Situation unchanged.

North Sea:

Submarines U "9", U "56" in the operational area. Submarines U "22", U "23", U "57" in Heligoland ready to sail. Otherwise situation unchanged.

CONFIDENTIAL

War against Merchant Shipping.

In a directive to Commanding Admiral, Submarines, Group West and Group Baltic (Sk1 I op 147/40 dated 9 Feb.) the areas to date derestricted for firing without warning are defined as follows:

Area along the north and northeast coasts of Scotland - area A.
 Area in the Bristol Channel and Irish Sea - area B.
 Area off the southeast coast, exit from the Strait of
 Dover - area C.

As part of the further intensification of the submarine campaign on merchant shipping a new area along the east coast between area A and area C, i.e. from St. Abb's Head to Flamborough Head, is now derestricted for immediate offensive action by submarines. The order for this reads:

"New area 'D': Submarines are permitted immediate offensive action against all ships, except those definitely identified as Italian, Russian, Japanese or U.S., Danish "Maltese" ships and unarmed, illuminated passenger ships of all flags sailing alone, in the area between 56° N, 2° 30' W; 56° N, 2° E; 54° 10' N, 3° E; 54° 10' N, 0° 20' W. Attacks to be unseen if possible, in order to maintain the illusion of mine hits."

The sea area around Great Britain, except for the northwest sector from the North Channel to west of the Orkneys and a strip ten miles broad along the Irish coast is thus derestricted for submarines to fire without warning on all merchantmen except friendly neutrals and U.S. ships. The war against merchant shipping has been intensified to a degree commensurate with the military requirements of submarine operations. Increase in the prospects of success in the submarine war against merchant shipping now primarily depends on the following factors:

1. Increase in the number of submarines.
2. Removal of the causes of torpedo failures - improvement of warhead pistols.
3. Invention of an efficient device to counter the enemy's excellent location gear.

Merchant Shipping.

The following table gives the numbers of German merchant ships which have sailed for Germany from ports overseas and arrived home during the war:

9 Feb. 1940

CONFIDENTIAL

Sailed in

<u>August 1939:</u>	40 ships,	lost: 5 ships		12.5 %
		successful passages: 35 ships		87.5 %
<u>September:</u>	21 ships,	lost: 7 ships		33.3 %
		successful passages: 14 ships		66.7 %
<u>October:</u>	20 ships,	lost: 9 ships		45 %
		successful passages: 11 ships		55 %
<u>November:</u>	20 ships,	lost: 11 ships		55 %
		successful passages: 9 ships		45 %
<u>December:</u>	6 ships,	lost: 3 ships		
		collided with iceberg: 1 ship		
		successful passages: 2 ships		
		lost:	60 %	67 %
		successful:	40 %	33 %

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.Special Items.

1. While Commanding Admiral, Group West (General-Admiral Saalwaechter) is ill, Admiral Carls will act for him. Admiral Guse will act as Commanding Admiral, Group Baltic.
2. With Ship "1" already out of commission as completely unsuitable, Group West now requests that her substitute, Ship "11", should also be put out of commission. This ship is certainly better than Ship "1"; camouflage satisfactory (engines overhauled, action radius 20 days' run) but speed only six to seven knots, in the Group's opinion most inadequate.

Group West's view is that the operational requirements for mine-laying by such ships have radically changed, especially as Commanding Admiral, Submarines refuses to limit the freedom of action of his boats in northern Scottish waters and the Orkney - Shetlands area. Group West proposes to lay up Ship "11" and keep her in reserve for later use. The Group does not wish another vessel to be provided since destroyers are considered suitable for the execution of the scheduled assignments.

In Naval Staff's view the operational requirements and considerations which led to the use of Ship "1" remain the same. Naval Staff considers that the operations of these camouflaged mine-layers continue to promise good results and that the chances for the execution of their assignment are by no means unfavorable. However, an earlier decision for operations in the Shetlands area will be cancelled. South of the Firth of Forth and south of St. Abb's Head now seem more suitable. The expenditure of personnel and material is small and completely justifiable in view of the expected success. If necessary we shall have to allow for the fact that the ship may be sunk. Most probably the crew will be rescued and taken prisoner. Naval Staff does not consider it correct to abandon the operation by this ship which constitutes an additional weapon. The Group has therefore been instructed to re-examine the matter from Naval Staff's point of view. (See letter of Group Gkdos. 432/40 AI dated 31 Jan. and Naval Staff's reply.)

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

1. For Mr. Chamberlain's statement on the sinking of the East Dudgeon lightship in German air attacks see Foreign Press Report No. 35.
2. Reports from London speak of strong Anglo-French help for Finland. A large consignment of light and medium guns, also 400 planes are being delivered. Considerable volunteer units, in which "Polish forces" play a special part, are being provided.
3. According to an official German report, Chilean opinion has lately become anti-German. The naval battle of the River Plate has had an unfavorable effect on Germany's standing; it is regarded as a German defeat.

The Foreign Minister is afraid that it will be difficult for Chile to maintain her neutrality.

4. The news of the conference between the U.S. Government and the neutrals and the announcement of Sumner Welles' trip to Europe have caused very strong reactions abroad.

Special Reports on the Enemy.

Atlantic.

Great Britain:

Disposition of forces:

During the night of 9 Feb. the Commander, 2nd Cruiser Squadron and the cruisers SOUTHAMPTON, GLASGOW, EDINBURGH and NORFOLK were at sea in the northern area. (The NORFOLK will probably arrive in the Scapa area on 11 Feb., having previously carried out firing practice in the Pentland Firth.)

The heavy cruiser SUFFOLK intends to put in to the Clyde on 10 Feb. The destroyer DECOY, recently on patrol in Spanish waters, is proceeding to Dakar.

Convoy movements:

According to a report from the Attache in Madrid, another convoy will probably leave Gibraltar on 12 Feb.

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

Convoy "HX 20" which was intercepted by radio monitoring on 9 Feb., is the twentieth convoy to make the eastward crossing of the North Atlantic from Halifax.

France:

A reinforced Anglo-French patrol is off Gijon awaiting the sailing of the German steamers lying there. According to a French report, five German steamers sailed from Vigo at 2300. The steamer ROSTOCK was seized by the French off the entrance to Vigo during the night of 10 Feb.; two other steamers have been reported on westerly courses.

The French have reported enemy submarines off the western entrance to the Channel, in the Bay of Biscay and off Gibraltar.

North Sea:

The Consulate at Kirkenes reported on 9 Feb. that British heavy cruisers were patrolling between North Cape and 29° E keeping five miles from the coast.

This news gains insignificance when coupled with the reports about imminent large-scale British assistance for Finland. It is however to be accepted with reserve as regards its reliability. There is no confirmation from radio monitoring.

A report from a reliable agent confirms that a shortage of mines has so far prevented minelaying in the Shetlands - Norway area.

According to an agent's report there is an anti-submarine net barrage from South Foreland to Calais, guarded by armed trawlers. There is a narrow passage at the end of this barrage at each side of the coast. There is a none too broad minefield from Folkestone to Cape Gris Nez, likewise guarded. Destroyers and submarine chasers patrol between these minefields. At night guard boats and patrol vessels sweep their searchlights over the area in front of and between the minefields.

Shipping Losses.

Atlantic:

The Dutch steamer BURGENDIJK (6,853 tons) sank 60 miles south of the

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

Scillies, apparently after a collision. (Sunk in accordance with Prize Regulations as per report from submarine U "48".) There was an explosion amidships on the Dutch tanker CERONIA (8,096 tons) when west of the Channel on 5 Feb. In spite of this she reached Hull, 400 miles away.

North Sea:

The Norwegian steamer GALLIA (9,970 tons) struck a mine but is still afloat. The British naval trawler ROBERT BOWEN (290 tons) and the FORT ROYAL (351 tons) were sunk on 9 Feb. by air attack.

Own Situation.

Atlantic:

Nothing to report.

North Sea:

The minelaying operations by Commander, 1st and 4th Destroyer Flotillas in the Ship Wash and Haisbro lightship area went according to plan. Some patrol vessels and a convoy covered by patrol vessels were sighted in the area between Haisbro lightship and Cromer Knoll, the destroyers were obviously not identified as enemy warships. On the afternoon of 9 Feb. the destroyers were sighted by enemy planes east of our declared area. There was one unsuccessful attack.

Reconnaissance over the return passage area took place as planned.

Several Dutch and Danish fishing vessels were sighted in grid square 6870, two trawlers of unknown nationality in grid square 8250.

The attempt to remove an ice barrier at Norderney with 50 kg. bombs has proved unsuccessful.

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

On 8 Feb. Ship "37" stopped a Danish fishing smack west of the declared area. She was going from Esbjerg to Grimsby with 60 cwt. of plaice and has since turned out to be innocuous. It was, however, perfectly correct to seize this smack proceeding to Great Britain. Seven planes of the 26th Bomber Wing carried out armed reconnaissance of the east coast of Scotland between the Firth of Tay and the Shetlands. Owing to bad weather only one attack was made on enemy ships. One patrol boat was sunk. (See Air Situation 10 Feb.)

Baltic Sea:

No shipping through the Sound owing to the freeze-up, the Flint, Kogrund and Falsterbo channels frozen over. No icebreaker activity. Air reconnaissance over the Sound and Swinemuende Bay. Search for the missing steamer CHARLOTTE SCHROEDER, which was extended beyond Bornholm, was unsuccessful.

Submarine Situation.

After successful execution of her minelaying assignment off Weymouth (Portland), submarine U "48" acting in accordance with Prize Regulations sank the Dutch steamer BURGENDIJK at the western entrance of the Channel. During the night of 10 Feb. the submarine sent a weather report, not a very advisable step as she is still in the operational area and not yet on her return passage. Submarine U "53" apparently west of the Shetlands, has been reported several times by British planes. She has allegedly been hit by a bomb. The British Admiralty announces that it has definite proof that a British destroyer sank two German submarines on 9 Feb. (Report is improbable, but if at all true it can only apply to U "41".)

Because of definite data from radio monitoring about the homeward trip of the ARK ROYAL, RENOWN and EXETER from the South Atlantic to English Channel ports, Naval Staff has suggested to Commanding

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

Admiral, Submarines that the three submarines U "26", U "37" and U "48", at present at the western entrance to the Channel, should be directed against these very valuable targets, expected between Land's End and Ouessant on approximately 13 or 14 Feb.

In the Atlantic operational area:

Submarine U "41".

On passage:

Submarines U "33" and U "50" northern North Sea.

Submarine U "37" west of Ireland.

Submarine U "53" west of the Shetlands.

Submarine U "26" southwest of Ireland.

Submarine U "48" south of Ireland.

On return passage:

Submarine U "25" west of Scotland.

In the North Sea operational area:

Submarines U "9" and U "56".

On passage:

Submarines U "22", U "23", U "57" route "Grün".

Brief report from submarine U "24" for 27 Jan. to 9 Feb. Operational area Gamma (east of the Orkneys), one torpedo failure on 6,000 - 8,000-ton steamer caused by non-detonation, one miss on 800-ton steamer, operation broken off because of lack of fuel.

Brief report from submarine U "44" (Lt. (s.g.) Mathes) for 6 Jan. to 9 Feb. Assignment: Operations off the Channel and west of Portugal. Twelve torpedoes fired, two misses, two failures. Total sinkings 38,266 tons including the Dutch steamer ARENDSHERK (7,906 tons). An excellent achievement by a submarine operating in the Atlantic for the first time.

CONFIDENTIAL

10 Feb. 1940

CONFIDENTIAL

Brief report from submarine U "21" for 27 Jan. to 9 Feb.
Operational area Delta (east of the Orkneys), sank two steamers
estimated at 1,400 tons and 3,500 tons. Two prematures.

(For brief reports see War Diary, Part 3, Vol. IV.)

Merchant Shipping.

The German steamers in Vigo were once more ordered to attempt
the breakthrough at all costs. On receipt of a signal during
the night from the outward bound steamer ROSTOCK (2,542 tons) -
"Am about to be seized" - Norddeich passed on plain language
instructions that she was to scuttle herself if there were no
more hope of escape. No further reply from the ROSTOCK.

According to information from Madrid the following German
steamers have sailed:

WAHEHE, WANGONI, ORIZABA, MOREA from Vigo, probably the
tanker PEDANIA from Las Palmas.

CONFIDENTIAL

11 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic:

Great Britain:

The NORFOLK, SOUTHAMPTON, GLASGOW and EDINBURGH, also the NUBIAN, are at sea in the northern area. On 10 Feb. the old battleship REVENGE was with convoy "HX 19" in the central to eastern part of the Atlantic.

British long-range reconnaissance planes are searching the area 250 miles west of Vigo for the German steamers which sailed from this port.

A convoy coming from Freetown is southwest of Madeira, two British auxiliary cruisers in the vicinity.

France:

The sailing of the German steamers from Vigo, which took place during the night of 10 Feb. has caused increased activity along the Spanish coast. One destroyer has been ordered to proceed at 30 knots to a point about 270 miles westnorthwest of Cape Finisterre. The steamers lying in Gijon are expected to sail. The additional French vessels sent to the Spanish coast were unable to sail because of fog and will be considerably delayed in reaching their positions. One vessel is taking up a position 280 miles northwest of Cape Villano, another west of it.

The French tug ABEILLE which is shadowing the German steamers in Vigo has changed procedure since the Minister for the Navy intervened. She did not sail on 10 Feb.

North Sea:

Two British convoys on southerly course in the Flamborough Head area.

The majority of the steamers assembled in Bergen sailed on a northerly course, and are to depart from the Floroe region during the night of 11 Feb. However, another thirty to forty ships are already assembled in Bergen. The captain of the German steamer CONSUL HORN sighted about 60 steamers near Krakensnes at noon on 9 Feb.

The former Polish submarine ORZEL has again been detected in the North Sea.

CONFIDENTIAL

11 Feb. 1940

CONFIDENTIAL

According to an agent's report - thought to have an ulterior purpose - Anglo-French preparations for a combined sea-air attack on Borkum are being energetically carried on and the date of execution depends solely on the weather.

Shipping Losses:

The French steamer VIERGE DE BOULOGNE ran aground near Beachy Head. The British steamer OREGON (6,008 tons), reported sunk a week ago, was towed in to Lisbon harbor on 11 Feb.

Own Situation.

Atlantic:

Nothing to report. (See Submarine Situation.)

North Sea:

The further considerable deterioration in the ice situation is placing the units of Commanding Admiral, Defenses North in a specially difficult situation. They frequently stick in the ice, are damaged and generally endangered. The long delays in repair work make it difficult to relieve ships and this has a very adverse effect on the execution of their assignments.

No air operations possible owing to the weather.

Baltic Sea:

Solid ice in the whole of the western and central Baltic as far as the line Gross Horst - Oderbank - Stubbenkammer.

East of this line and north of Ruegen heavy drift ice as far as the entrance to the Sound. The Sound and the entire Swedish coast frozen. The Kattegat is hardly navigable even for large steamers, efforts are to be made to keep the eastern channel along the Swedish coast open by means of icebreakers.

No activity by surface forces and no air operations.

CONFIDENTIAL

11 Feb. 1940

CONFIDENTIAL

Submarine Situation.

Atlantic:

At noon a British coastal radio station reported a submarine off the entrance to the North Channel. This can only refer to submarine U "33" on passage to her minelaying assignment in the Clyde; this sighting report will considerably increase the difficulty of her task.

In the Atlantic operational area:

Submarines U "41", U "48". U "41" has been ordered to carry out a special assignment in Cadiz on 16 Feb. (fuelling).

On passage to their positions:

Submarine U "26" south of Ireland, submarine U "37" western entrance to the Channel, submarines U "33" and U "53" west of the Hebrides, submarine U "50" in the Shetlands area.

On return passage:

Submarine U "25".

On outward passage for operation:

Submarine U "29" (Lt. (s.g.) Schuhardt) to carry out minelaying assignment in the Bristol Channel.

North Sea:

In the operational area: Submarine U "9". Submarine U "56" has begun her return trip, no successes. She reports misses, torpedo failures and breakdown of the Diesel engines.

Submarines U "22", U "23", U "57", U "18" are on passage to the operational area east of the line Moray Firth - Shetlands.

Merchant Shipping.

Nothing special to report.

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

Commander in Chief, Navy in Wilhelmshaven to confer with Group West and Commanding Admiral, Submarines and to inspect the HIPPER.

Items of Political Importance.

1. For the situation in the Russo - Finnish conflict see the Foreign Press Report. The great Russian offensive on the Karelian Isthmus is in full swing. The Russians have thrown in very strong forces and seem to have broken into the first line of the Mannerheim positions. Unless large-scale foreign help arrives soon, Finnish resistance must flag.

According to a communication from the Swedish Government, Sweden will not give Finland any large-scale active support beyond the scope of her assistance to date, since her inadequate armament makes such intervention impossible and at all events Sweden wishes to avoid a break with Germany.

2. The Russo-German economic agreement was concluded in Moscow on 11 Feb. (For particulars see Part C, Volume XII, Economic warfare).

3. Strong reaction in Holland to the sinking of the steamer BURGENDIJK by submarine U "48". It is emphasized that the ship was carrying only fodder and a mixed cargo from America for Rotterdam. The ship was sunk solely because she would have had to pass the control in the Downs on her way to Rotterdam. (For particulars see Foreign Press Report and War Diary, Part C, Volume VIII.)

4. The German Government has protested to the Norwegian Foreign Minister against the growing anti-German attitude of the Norwegian press. A Norwegian Government spokesman admits that press reports of shipping losses are biased against Germany.

5. According to reports from Holland and Belgium, military circles there expect a German offensive at the end of February.

6. The Japanese Naval Attaché, Admiral Yendo, confirmed earlier reports that following the ASAMA MARU incident Japanese ships would no longer transport any Germans of military age.

Japan has thus capitulated under strong economic pressure from the U.S.A. and Great Britain.

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

1200 Conference with the Naval Attache in Rome, Captain Loewisch. Report on Italy's political attitude and the Italian Navy's attitude. (See note in War Diary, Part B, Vol. V, Page 98.)

Special Reports on the Enemy.

Atlantic.

Great Britain:

Movements of Ships:

According to dead reckoning, the aircraft carrier ARK ROYAL and four destroyers will pass the line Land's End - Ouessant at 1000 on 13 Feb. Radio monitoring indicates that they will probably make for Portsmouth.

(Commanding Admiral, Submarines has given the submarines U "26", U "37" and U "48" attack positions in the western entrance to the Channel and sent them the British forces' last position report. It is, however, doubtful whether the submarines can now reach their attack positions in time.)

The cruiser GALATHEA, formerly flagship of Commander, Destroyers in the Mediterranean has been relieved by the DELHI and passed Gibraltar on her way to England.

According to a report from Daventry, Australian and New Zealand troopships proceeding in convoy reached Suez on 12 Feb. This is said to be the largest troopship convoy ever to have been brought from overseas.

An Italian report says that the British Government has requested the Portuguese for an authorization to build an air base on Ilha de Sal (Cape Verde Islands) to be used by a transocean flight line to South America after the model of the Italian one.

France:

The French patrol forces off Vigo and along the Spanish coast have been informed that the steamers have sailed, the names were given.

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

A few vessels have been ordered to extend their operations to 12 Feb. Air reconnaissance has discovered two German steamers 250 miles west of the coast. Submarines have been ordered into a position line northwest of Spain. The Naval Attache in Madrid has reported that there are at present one cruiser, two destroyers and two fishing vessels off Gijon in sight of land.

Five convoys were detected in the Bay of Biscay and along the northwest coast of Spain.

North Sea:

As expected, the large convoy left the Norwegian coast between Floroe and Maaloy early on 12 Feb. The report again had to be sent by telegram, as there was a break in telephone communication at the time.

Radio monitoring indicates that in face of the threat from the air, merchant traffic sailing from Great Britain will now also be placed under escort. An agent reports that the British have now invented a device against magnetic firing which explodes the torpedoes 200 meters from the target.

Shipping Losses.

Atlantic:

The Norwegian steamer ALBERT L. ELLSWORTH (8,309 tons) was torpedoed southwest of Ireland. The Finnish steamer NIDAHOLM (2,588 tons) sank 150 miles southwest of Ireland (proceeding to Liverpool). The British steamer SOMME (5,265 tons) was apparently fired upon by a French submarine 120 miles northwest of Madeira.

North Sea:

The Belgian steamer FLANDRES sank after a collision with the Belgian steamer CABALO south of the Goodwin Fork buoy.

The Estonian steamer LINDA (1,200 tons) sank on the voyage from Great Britain to Gothenburg.

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

Own Situation.

Atlantic:

See Submarine Situation.

No news of the ALTMARK.

North Sea:

Nothing special to report. Air reconnaissance in direction of the Skagerrak broken off owing to fog - nothing sighted. Group West has instructed both stations that in view of submarine movements they must use every possible means to keep the Kiel Canal open.

Operation "Nordmark" must again be postponed, since the GNEISENAU's two screws must be changed owing to the damage done by the ice during the passage from Kiel to Wilhelms-haven. Earliest date for "Nordmark" 16 Feb.

Since Naval Staff is under the impression that both Group West and Commanding Admiral, Naval Forces, West, also Commanding Admiral, Submarines still hesitate to accept the results evaluated from radio monitoring and do not yet consider them as sufficiently well-founded to serve as a basis for their operations, the following information is to be communicated to:

Group West; Commanding Admiral, Naval Forces, West and Commanding Admiral, Submarines.

1. With our present standard of radio deciphering, especially in northern and home waters, it can be taken for granted that all enemy movements will be intercepted.
2. This state of affairs can at the moment be taken into account when planning operations.
3. You will be informed immediately if a change in the enemy's code alters the present situation.

Baltic Sea:

Western and Central Baltic completely frozen. According to a Danish report, the ice in the Skagerrak was broken up by the storm on the afternoon of 12 Feb., so that it is now easier to get through into the Kattegat.

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

Efforts are being made from there to use icebreakers to keep a channel open for traffic as far as the Sound.

Nothing to report.

Submarine Situation.

Submarine Losses:

Radio monitoring picked up signals from the British minesweeper GLEANER in the Clyde indicating that after an action between the minesweeper and a surfaced submarine the latter was probably lost. The submarine in question is U "33" (von Dresky) which was sent to carry out minelaying in the Clyde.

0525 first signal from the minesweeper: "Submarine surface in action."

0530 signal: "Submarine surrendering."

0545 request: "Request you send immediate assistance to rescue crew."

It is doubtful whether the submarine had any opportunity to carry out her assignment before being sunk.

In the Atlantic operational area:

At 0705 submarine U "37" reported enemy destroyers and a suspicious vessel south of Ireland. Four hours later submarine U "48", 60 miles north of submarine U "37", sighted a westbound convoy and shadowed it (one miss). Submarine U "26", 100 miles further west, reported three prematures, speed reduced to seven knots because of storm from the east. The three submarines have been sent to attack-positions between Lizard Head and Les Sept Isles against the returning ARK ROYAL, RENOWN and EXETER. Submarines U "53", U "50", U "29" are on passage. Submarine U "54" sailed for operations west of Spain and Portugal. The crew must first be thoroughly trained since there was no further opportunity for exercises in home waters. She is not to go into dangerous waters until the standard of training permits. Her operational

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

area lies in grid squares: BE 9400, 9500, 9700, 9800.
i.e. 240 miles west of the northwest corner of Spain.

North Sea:

Submarine U "9" began the return trip after carrying out her assignment in the Cromarty Firth. Submarines U "14", U "19" put out for the operational area along the east coast of England.

Otherwise situation unchanged.

Merchant Shipping:

The steamer URUGUAY (5,846 BRT) sailed from Pernambuco on 10 Feb., the steamer WAKAMA sailed from Rio de Janeiro on 11 Feb. for home.

Foreign Shipping.

For the wartime losses of enemy and neutral merchant fleets, also the state of neutral merchant shipping and help it has given the neutrals see Report 2/40 on Foreign Shipping.

According to this report the wartime losses of foreign merchant fleets up to and including 30 Jan. 1940 amounted to 396 ships totaling 1.39 million BRT, of which 1.13 million BRT were quite definite losses.

It is interesting to note Italy's part in merchant traffic to Great Britain and the treatment meted out to her by the enemy powers. Reports from Italy show that the Italians have to all intents and purposes submitted completely to the enemy's measures against German trade.

War against Merchant Shipping.

For Reuter report about the protection ostensibly afforded by the British convoy system see Foreign Press Report. The total losses

CONFIDENTIAL

12 Feb. 1940

CONFIDENTIAL

of British merchant tonnage, amounting to less than one ship in 150, are described as being such a small fraction that they are of no importance as regards the outcome of the war.

Reports from Belgium point out the catastrophic effect which the war has had on shipping traffic and hence on Belgium's economic situation, as she is dependent on imports for her supplies of food and raw materials.

A Rumanian mail steamer was searched for German passengers and goods by a British torpedo boat off the entrance to the Dardanelles inside Turkish territorial waters.

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.Special Items:

The following points have arisen from the conferences held by the Chief, Naval Staff in Wilhelmshaven:

1. Since we cannot rule out the possibility that the enemy has boarded the missing patrol boat "805", the Chief, Naval Staff has given orders that patrol boats are to be equipped only with such confidential material as is absolutely necessary. (This measure has already been in force for a long time with regard to radio codes.)
2. Group West is especially anxious that the headquarters of the new 9th Air Corps now being formed (Minelaying Corps) should be transferred to Jever.
3. The Group is considering the reconstruction of the barrage system in the German declared area, in particular the question of extending the minefields to the north and filling in the gaps by further minelaying. The result will be reported later.
4. The battleship sortie "Nordmark" is scheduled for 16 or 17 Feb.
5. Commanding Admiral, Naval Forces, West requested a second Admiral to deputize for the Commanding Admiral, Fleet in case of absence and to relieve the Fleet Staff. (Fresh appointment for Commanding Admiral, Pocket Battleships as next senior officer of the Fleet?) This question is being examined by the Naval Staff.

Items of Political and Economic Importance.

1. In connection with a question put in the Reichstag about the conduct of German naval warfare, Swedish press commentaries declare that the remedy indicated by Germany - to follow America's example and withdraw all Swedish ships from the combat zone - cannot be considered by Sweden. Swedish economy is essentially based on the presupposition that trade can be maintained with both belligerent parties.

13 Feb. 1940

CONFIDENTIAL

2. For the probable reasons behind the trip of the U.S. Under-Secretary of State, Sumner Welles, to Europe see Political Review No. 37.
3. According to an official bulletin, the Portuguese Minister for the Navy has forbidden any sale of ships abroad.

Special Reports on the Enemy.

Atlantic.

Great Britain:

The netlayer GUARDIAN is in the North Channel on her way to the Clyde. The MALAYA, which escorted convoy HX 18, is at present in home waters. The SUFFOLK put in to the Clyde on 10 Feb. for repairs. The EXETER appeared in radio traffic with a command post in the Channel. The Admiral on the HAWKINS, which put in to Rio de Janeiro on 12 Feb., announced that the crew of the steamer WAKAMA (3,771 tons) which was sunk had been picked up. The SHROPSHIRE and DORSETSHIRE as well as the HAWKINS took part in the capture of the steamer.

France:

Patrols as scheduled in the eastern Channel. A convoy of 13 steamers and 4 submarines put in to Brest.

Two patrol vessels were 80 miles northwest of Cape Ortegal on a southwesterly course, the 2nd Destroyer Flotilla was 150 miles west of Villano on a northerly course.

French patrol boats off Cadiz five miles offshore, a grey painted French freighter off the Guadalquivir, approximately 2,000 tons, armed with two 10.5 cm. guns.

Two British destroyers between Cape Roche and Huelva.

Indian Ocean:

The following steamers were included in the troopship convoy from Australia: ORION 23,371 tons; ORCADES 32,456 tons; EMPRESS OF JAPAN 26,032 tons; EMPRESS OF AUSTRALIA 21,133 tons.

CONFIDENTIAL

13 Feb. 1940

CONFIDENTIAL

Escorts: RAMILLIES, EAGLE and probably CANBERRA. The convoy was in Colombo on 30 Jan. and 1 Feb., passed Aden on 9 Feb. and arrived in Suez on 12 Feb. The RAMILLIES, EAGLE and CANBERRA and several steamers put in to Aden harbor.

North Sea:

An unidentified vessel has been ordered to investigate the cause of a fairly large explosion near May Island. Another unidentified vessel, possibly one of the British vessels detected west of North Cape on the evening of 9 Feb., has been detected west of Trondheim Fjord.

The anti-aircraft cruisers CAIRO and CALCUTTA put in to Scapa and Sullom Voe, the EDINBURGH and the ARETHUSA plan to put in to Rosyth tomorrow morning.

The British Admiralty published a circular in December requesting maximum care of naval equipment in view of the intensification of operations to be expected in the spring.

Shipping Losses.

Atlantic:

The Norwegian motor vessel SNESTADT (4,114 tons) said to be proceeding from Norway to America, sank after an explosion. The Swedish steamer DALAROE (3,227 tons) sank. The British steamer BRODWAL (3,385 tons) sent SOS south of Toulon, rudder not operating. The British trawler TOGINO, 290 tons, sunk by gunfire from a submarine.

North Sea:

The Swedish steamer ORANIA (1,850 tons) sank.

Unidentified ship blown up east of Wick.

According to a British report, the Norwegian steamer ALBERT L. ELLSWORTH which was reported sunk, did not sink.

CONFIDENTIAL

13 Feb. 1940

CONFIDENTIAL

Own Situation:

Atlantic:

Nothing special to report.

North Sea:

Air reconnaissance did not take off.

Nothing special to report.

Baltic Sea:

Nothing special to report.

Ice conditions prevented any movement of shipping; planes could not do any reconnaissance of the ice situation.

Submarine Situation.

Atlantic operational area:

Submarines U "41", U "48", U "37", U "26".
Submarines U "48", U "37" and U "26" have not succeeded in operating in the western entrance to the Channel against the Task Force ARK ROYAL, RENOWN and the damaged EXETER returning from the South Atlantic. The operational order came too late for the submarines to reach the ordered attack-positions in time under the present weather conditions. Only submarine U "37" is now in the western entrance to the Channel. Submarines U "26" and U "48" were ordered by Commanding Admiral, Submarines to operate north (submarine U "26") and south (submarine U "48") of 49° 30'.

On passage:

Submarine U "53" west of Ireland,
Submarine U "50" west of the Hebrides,
Submarine U "29" northern North Sea,
Submarine U "54" central North Sea.

On return passage:

Submarine U "25" north of the Shetlands.

13 Feb. 1940

CONFIDENTIAL

North Sea operational area:

On passage:

Submarines U "18", U "22", U "57", U "23" central North Sea.

Submarines U "14", U "19" west of the declared area.

Submarines U "61" and U "62" route I.

On return passage:

Submarines U "9" and U "56" on route "Blau".

Merchant Shipping.

The steamer WAKAMA (3,771 tons), which sailed from Rio de Janeiro on 11 Feb., was stopped off the coast of Brazil by British naval forces and scuttled herself. The crew were picked up by the cruiser HAWKINS. The tanker GEDANIA is still lying in Las Palmas and has not yet started the return trip home.

A remarkable article in a Danish periodical points out the possibility of evading the British control by proceeding to the north and refers to the example of the Swedish steamer DROTTNINGSOLM. The costly loss of time involved in the detour is rated more or less equal to the disadvantage of the non-neutral procedure of voluntarily putting in to control ports. To this can be added the ever increasing danger from mines in the vicinity of the British coast. In the long run it would be preferable to be brought in to port under constraint, thus compelling the blockading power to employ numerous forces, rather than put in to a control port voluntarily.

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

The attempt to capture the German steamer WAKAMA took place within the American security zone off the coast of Brazil. The fact is being exploited in propaganda.

The foreign press (in particular Dutch and U.S.) is taking the sinking of the Dutch steamer BURGENDIJK as a further occasion to protest against the methods of German naval warfare. (See Foreign Press Report).

The visit of Under Secretary of State Sumner Welles to Europe was warmly welcomed by Mr. Chamberlain in the House of Commons. "The British Government will admit him to their full confidence so as to help the President in his assessment of the present situation."

Reliable reports state that General Weygand has by no means given up his plans for an attack on the oil area near Baku; if need be he is ready to carry out the operation against the Baku area even without Turkish help. The attitude of the population would make it very difficult for Russia to defend this area. Further developments in the Near East deserve very close attention in view of the importance of the Baku oil for Germany and Russia.

Churchill announced in the House of Commons that within a short time all merchantmen in the North Sea would be armed.

Naval Staff's viewpoint on the subject of armed merchantmen, a question which is still being wrongly handled in the German press, is re-stated in a newly issued propaganda directive. (See War Diary, Part B, Vol. V, Page 99).

Conference on the Situation with the Chief, Naval Staff.

Special Items:

1. Chief, Armed Forces High Command intends to submit to the Fuehrer the ordinance against enemy exports - now ready for

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

publication - which is to be issued in reply to the British "Order in Council". However, before publication Armed Forces High Command has requested Naval Staff's opinion on whether at this present stage the Navy expects the ordinance to bring advantages real enough to outweigh the disadvantages with regard to the neutrals.

Naval Staff's Opinion:

The prospects of success in the war against merchant shipping both for submarines and surface forces would definitely be improved by the issue of the ordinance against enemy exports. The degree of improvement depends on whether the ordinance is to take full effect or whether in practice considerable limitations (coal exports to Italy and Scandinavia, exports to the U.S.A. and Japan etc.) will be necessary for political reasons. As far as Naval Staff can see, there will have to be considerable limitations of this nature at present.

In Naval Staff's view this is not an opportune moment to publish the ordinance as an isolated measure, especially since the time has now passed when the neutrals too could see its direct relation to British action and interpret it as the logical answer to the British Order in Council.

Naval Staff, however, lays great value on the publication of the ordinance against enemy exports at some future date, either as part of a general intensification of our warfare or at any other favorable opportunity.

This opinion has been communicated to Armed Forces High Command (Operations Staff, National Defense).

2. Examination of the question of defense against British air raids on dockyards, quay-installations, docks etc., with special reference to night defense and use of night fighters has led to the conclusion that no absolutely effective defense is possible. As at present any breakdowns in the vulnerable German dockyards would be critical, it seems undesirable for us to take the initiative in air attacks on enemy installations.

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic.

Great Britain:

Disposition of Forces:

The destroyer MOHAWK will put in to the Clyde on the morning of 15 Feb. with a convoy coming from the northwest.

The HERMES was in the western part of the Channel early on 14 Feb. A large number of destroyers was detected in the same area. These were obviously the escort for the RENOWN and EXETER, which pass the western entrance to the Channel on the evening of 14 Feb.

A Daventry report states that the battle cruiser REPULSE is in dock.

France:

Nothing special observed in the Channel area.

Air reconnaissance was flown from the west coast into the western part of the Bay of Biscay. No German steamers reported. The radio traffic occasioned by the sailing of the steamers has died down. Some of the naval forces seem to be on escort duties again. According to Daventry the War Office has announced that a German freighter (probably the steamer ROSTOCK) has been taken in to a French port.

Neutrals:

Britons and Frenchmen will be refused transport on Spanish mail packets from now on.

North Sea:

According to reports from Bergen and Haugesund, a new convoy is assembling. So far 16 ships have arrived in Bergen and about 30 in the Haugesund area.

Several submarines were detected in the Skagerrak area and to the west of it.

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

Shipping Losses:

Atlantic:

The French tanker PICARDIE (8,253 tons) sprang a leak and sank in the Atlantic. The British steamer SULTAN STAR (12,300 tons) torpedoed 150 miles south of Ireland. (Submarine U "48".) The Danish steamer MARTIN GOLDSCHMIDT (2,095 tons) sank off the north-west coast of Scotland (torpedoed?). Unidentified ship blown up off the north coast of Scotland.

North Sea:

The British tanker GRETA FIELD (10,200 tons) blew up off the north coast of Scotland. The British tanker BRITISH TRIUMPH (8,500 tons) sank off the Thames (mine). The Italian steamer GIORGIO OHLSEN (5,700 tons) sank after an explosion near Great Yarmouth.

The Danish steamer CHRISTINE MAERSK (5,200 tons) was sunk by gunfire from a submarine 80 miles west of the Norwegian coast. The Norwegian steamer CASTOR (1,680 tons) ran aground off the Humber. The Norwegian steamer EIKA has been overdue since 27 Jan.

Total successes on 14 Feb.: approximately 55,000 BRT.

Own Situation.

Atlantic:

The supply ship ALTMARK has reported that she is about to enter Norwegian territorial waters off Kristiansund. She requested a pilot for the inner leads as far as Koppervik and further orders. The crew, including 23 men from the ADMIRAL GRAF SPEE, are all in perfect health. The prisoners - 220(?) British, 67 Indians and 8 negroes - are likewise in good health.

Thus by dint of the skill and resolution of her officers the ship has accomplished the voyage from the South Atlantic to Norway unnoticed by the enemy. In accordance with the original directive, she has taken advantage of the moon and the favorable weather conditions during the past few days to pass the Iceland area.

Group West has been entrusted with the task of bringing the ALTMARK home. For this purpose the following directive given to the Group:

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

"I. The ALTMARK has the following orders:

No false markings in territorial waters, Reich Service flag, no stopping, keep prisoners below deck. If ship is stopped, demand free passage as government ship.

II. The ALTMARK has no recognition signals, only codes for foreign waters.

III. Note by Naval Staff: Group to take over command. Copy of orders issued to be forwarded to Naval Staff. The Embassy and Consulates in Norway have been informed about the ALTMARK and her orders. Inform the ALTMARK that there are official consulates in Kristiansand, Haugesund, Trondheim also that Naval Staff has not arranged for special pilots, so that these must be taken on board on the spot."

During the afternoon Group West informed the ALTMARK about the German consulates in Norway and issued orders for the rest of the passage. The Group has not provided direct protection for the ALTMARK but if the weather is favorable there will be air reconnaissance in the Skagerrak. In accordance with Naval Staff's original exhaustive deliberations, the return voyage will now take place inside Norwegian territorial waters, as these seem to offer the greatest protection against the movements of enemy light forces which have frequently been detected in the Shetlands - Norway area. Proceed from Koppervik to Lindesnes inside territorial waters. Leave territorial waters at Lindesnes lighthouse. Cross the Skagerrak to Hanstholm at maximum speed at night. From Hanstholm to Nordmanns Deep in Danish territorial waters. Further instructions from the Group to the ALTMARK concerned radio service, sending of special signals, recognition signals, position of enemy submarines and picking up by our own forces.

The patrol boats north of Nordmanns Deep near Slugen North light and whistle buoy are to pilot the ALTMARK through Nordmanns Deep. For this purpose the ALTMARK is to be off Nordmanns Deep at dawn.

North Sea:

Apart from increasing difficulties caused by ice, which principally affect submarines and patrol forces, nothing special to report.

CONFIDENTIAL

14 Feb. 1940

CONFIDENTIAL

It was discovered that the wreck of the UNDINE had drifted about one and a half miles. The wreck was marked again.

Baltic Sea:

The Attache in Copenhagen has reported that Danish sources state that the German trawler RENDSBURG, which Group Baltic presumed must have crossed the Danish minefield in the Great Belt only one mile offshore on 12 Dec. 1939, was escorted through the Danish gap in the minefield. It was after this passage that she went on close to the coast of Langeland beside the German declared area.

Submarine Situation.

Atlantic:

Nothing special to report. Submarine U "37" reported very heavy patrolling on 13 Feb. at her attack position. No worthwhile targets. Submarine U "53" (Lt. Cdr. Grosse), outward bound, has so far fired eight torpedoes, two of them prematures, and sunk five ships totaling 30,000 tons. She has still four torpedoes and is proceeding towards the Spanish coast.

Reference to the loss of submarine U "33": Vice Admiral, "Greenock" sent a signal to a minesweeper on 13 Feb. concerning a wreck, apparently that of the lost German submarine. Further brisk radio traffic with the minesweeper.

North Sea:

In the operational area: Submarines U "22", U "23" and U "57".

On passage in connection with the planned battleship sortie: Submarines U "14", U "18", U "19", U "61", U "62", U "10", U "60".

CONFIDENTIAL

Items of Political Importance.

Russo-Finnish conflict: Finnish front shaken by heavy Russian attacks. See Foreign Press Report.

Reports from Italy speak of the despatch of about 250,000 New Zealand and Australian troops to Turkey for the Weygand army.

The Japanese Government has given an evasive answer to German representations about the effects of the ASAMA MARU incident on the transportation of Germans returning home on Japanese ships and has explained that only a general directive was issued to the shipping agencies. The prevailing impression is that Japan - despite the strong Government statements in Parliament - has secretly given definite pledges to Great Britain.

Statements made by the Deputy Chief of the Press Section of the Foreign Office (Baron von Stumm) at the press conference about the German war on merchant shipping have unfortunately given rise to serious misunderstandings and confusion abroad and hence to most unpleasant attacks against the methods of German naval warfare. The U.S. press has brought out a report from Berlin that submarines are authorized to torpedo all ships calling at British control ports. The report is construed as an express warning to the U.S.A. and is also represented as a challenge.

Immediate clarification and correction is necessary in the interests of German naval warfare, since the interpretation of the statements made at the press conference in no way conforms to Naval Staff's plans and directives issued so far, and will have a disadvantageous effect for Germany from the propaganda standpoint. (See also War Diary, Part C, Vol. VIII and Foreign Press Report.)

15 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic:

Great Britain:

Shipping movements:

The ARK ROYAL has probably been in Portsmouth since 13 Feb. and will go into dock there. The RENOWN and EXETER are in Plymouth, where Mr. Churchill went on board the EXETER to offer congratulations.

Several destroyers have been sent from Gibraltar to the Huelva area to search for German merchantmen reported there. They are supported by air reconnaissance from Gibraltar.

The cruisers PERTH (formerly in the West Indies) and ACHILLES are returning to Australia.

Liverpool Area:

Seaforth radio again sent instructions for entering Liverpool to neutral shipping. The ships are not to come within twelve miles of Bar Lightship without previously making for a patrol boat (at 53° 34' N, 03° 46' E).

France:

According to a report from the Naval Attache, enemy patrols off the north and south coasts, especially off Gijon, were still operating in the same strength.

A large convoy is west of the Bay of Biscay. The next convoy from Gibraltar will be about 50 miles west of Oporto at 0800 on 17 Feb.

North Sea:

Disposition of Forces:

The heavy cruiser YORK (formerly North Atlantic - Canada) is in northern Scottish waters with the Northern Patrol. The cruiser ARETHUSA with destroyers of the 4th Flotilla is at sea east of North Scotland.

According to radio monitoring, the heavy forces are disposed as follows:

CONFIDENTIAL

15 Feb. 1940

CONFIDENTIAL

The HOOD, WARSPITE ready for action in the operational area northwest of Scotland.
The NELSON in Portsmouth in dock.
The RODNEY in readiness probably in the Clyde area.
The REPULSE probably in Liverpool in dock.
The RENOWN probably in Plymouth in dock.
The BARHAM in dock, not ready again before the end of February.
The RESOLUTION probably in dock.
The MALAYA reached the home area on 7 Feb. with a convoy.
Position unknown.

Norwegian Coast:

The submarines in Skagerrak area received priority radio messages. A bearing was obtained on one of the boats 40 miles west of Hardanger Fiord.

Sightings of British cruisers west of North Cape were again confirmed. The last sighting was made on 11 Feb. This report mentioned several cruisers (GLASGOW?) but possibly some of them were confused with destroyers. A British destroyer put in to Tromsø on 14 Feb. with engine trouble, so that we have proof of presence of destroyers in the northern area.

The movement of British light forces in the direction of the north Norwegian coast is probably aimed to intercept the supply ship ALTMARK; the enemy may be expecting the supply ship to turn aside in to North Base or towards Murmansk. On the other hand, this may also be a special exploratory sweep to reconnoiter the suspected German base on the Murmansk coast.

Shipping Losses:

The Dutch steamer DEN HAAG (8,900 tons) was sunk by submarine U "48". The Danish steamer SLEIPNER (1,066 tons) sent an SOS signal near Rattray Head.

For disposition of enemy forces as per radio monitoring and activities of enemy forces during the second week in February, see Radio Monitoring Report 6/40.

Special Items:

1. We must reckon with a fairly large number of British battle-ships in the immediate future when dock overhauls will be completed.

CONFIDENTIAL

15 Feb. 1940

CONFIDENTIAL

2. The anchorages in the Orkneys continue to be protected, so that full use of Scapa Flow can again be expected shortly.
3. Continued lively convoy traffic along the east coast, in which traffic outward bound to Norway is still mostly assembled in convoys. Protection afforded by anti-aircraft cruisers, destroyers, gunboats, auxiliary cruisers and recently also submarines.
4. Remarkably brisk traffic over the North Atlantic continues.
5. French forces were mainly engaged in patrolling against the German steamers sailing from Spanish ports. Successes slight so far.

Own Situation.

Atlantic:

See Submarine Situation. Otherwise nothing to report.

North Sea:

The supply ship ALTMARK is proceeding southwards through Norwegian territorial waters. Ship has been detected by the enemy. According to radio monitoring, Admiralty has informed naval authorities and in particular the cruiser GLASGOW and the submarines SEAL, TRIAD and ORZEL about a report from Tromsø stating that a large German tanker of about 10,000 tons, painted black, passed a spot in the Tromsø area at 1215 on 12 Feb. Previous instructions for the voyage remain unchanged, since the ship seems to run less risk inside territorial waters than outside. The Embassy, Naval Attache and Consulates were informed some time ago about the ship's character and the fact that she carries prisoners, also that it is imperative for the ALTMARK, which so far as the Norwegian Government is concerned is a "Government Ship", to complete her passage without delay or hindrance.

As there are enemy anti-submarine forces patrolling off the southwest corner of Norway near Lindesnes, Group West has ordered the ALTMARK not to leave Norwegian territorial waters directly off Lindesnes but to wait till near Kristiansand.

CONFIDENTIAL

15 Feb. 1940

CONFIDENTIAL

Employment of special vessels of the 16th Patrol Boat Group.

Group West in a letter (447/40 A I Chefs. dated 8 Feb.) sanctioned a proposal from Commanding Admiral, Defenses North to employ the special vessels (trawlers) in the war on merchant shipping (in accordance with Prize Regulations and carrying prize crews).

Such operations in no way conform to the general directions laid down by Naval Staff, in which war on merchant shipping was indicated as a subsidiary assignment. At the captain's discretion a special vessel could sink the enemy without warning while maintaining camouflage but it was expressly stated that this was the only form of merchant warfare allowed. In operations in accordance with Prize Regulations, however, the vessels are forced to undertake assignments for which they are not intended and which they can only carry out by removing camouflage. The enemy will very soon know about their existence, operational area and the way in which they are used. Further activities will thus be rendered difficult or impossible.

The general directions issued by Naval Staff are again pointed out to Group West in l/Skl I op 149/40 (see War Diary, Part C, Vol. II) which also requests the Group to bring its plans for the special vessels into line with operational principles.

The North Sea islands of Borkum, Juist, Norderney, Langeroog, Spiekeroog, Wangeroog and Sylt have been declared military security areas by the Commander-in-Chief, Navy.

(For order see Part B, Vol. V, Page 100.)

Baltic Sea:

Nothing to report. Investigations prove that plans to bring the cruiser LUETZOW out of Gdynia are absolutely hopeless at present. Station Baltic reports that in the present ice situation the safe transfer of the LUETZOW from Gdynia westwards cannot be guaranteed even with the help of icebreakers.

The Swedish icebreaker YMER will be used first to release the Sassnitz - Trelleborg ferry ships frozen in the ice and will probably go to Sassnitz on 17 Feb. The YMER will next fetch Swedish colliers from Stettin and Swinemunde and then only proceed to Danzig.

CONFIDENTIAL

15 Feb. 1940

CONFIDENTIAL

Submarine Situation.

Atlantic:

Situation unchanged. On passage from the western Channel to the Spanish coast: Submarines U "26", U "37", U "50", U "53", U "54".

Submarines U "26", U "37" and U "53" were ordered by Commanding Admiral, Submarines to attack a reported convoy.

Submarine U "48", west of Ouessant, has reported sinking the SULTAN STAR and the Dutch steamer DEN HAAG. (According to a British Admiralty report, the submarine which sank the SULTAN STAR was allegedly destroyed an hour later.)

Submarine U "29" has been ordered to take up attack position west of the North Channel as from the morning of 17 Feb. Warships and valuable merchantmen to be attacked.

North Sea:

Situation unchanged. Ten small submarines are in the operational area or on passage.

Losses:

British radio reports state that the total number of submarines sunk exceeds forty.

War against Merchant Shipping.

In order to simplify the conduct of war against merchant shipping, all previous directives on the subject have been freshly compiled so that earlier regulations no longer need be taken into consideration. The new directives have been issued under l/Skl I i a 1713/40 Gkdos. to commanders in charge of operations, Armed Forces High Command, Commander-in-Chief, Air Force, Foreign Office etc. (For directive see War Diary, Part B, Vol. V, Page 101.)

The Dutch and Norwegian press are taking recent neutral shipping losses as a fresh occasion for pointed attacks on German naval

15 Feb. 1940

CONFIDENTIAL

warfare. The German viewpoint about the legal position of neutral shipping is given only a casual mention. There are various threats of a revision of the Neutrals' attitude to Germany and breaking off of trade relations. In Holland the BURGENDIJK case in particular (Submarine U "48") serves as further occasion for very biting comments. It is emphasized that Germany has instructed her submarine commanders to take sterner measures and has gone over to unrestricted submarine warfare.

Appropriate counterpropaganda has been issued. Naval Staff will see that all missions abroad are instructed regarding basic questions in the German conduct of the war on merchant shipping.

Merchant Shipping.

Own Shipping:

Returned from overseas: Two ships.

(The steamer CONSUL HORN (7,772 BRT) left Aruba on 9 Jan.)
(The steamer BAHIA (4,117 BRT) left Bahia on 5 Jan.)

Cargoes: Sugar, cotton, chrome ore, coffee.

All sailings of German merchantmen from overseas and Spain are detected and kept under observation by the enemy intelligence service, which functions remarkably well.

The South American press is greatly alarmed about the attempted capture and scuttling of the German steamer WAKAMA in the Pan-American security zone.

Foreign Shipping:

The Admiralty's weekly review of the figures of merchant shipping losses is appraised in many quarters abroad as a reduction of the danger from submarines and a success for the convoy system. The British press is appealing to the Neutrals also to make use of the convoy system.

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

The Finnish Foreign Minister was in Stockholm on 13 Feb. to request the Swedish Government to help by despatching troops as otherwise Finland would be compelled to ask the Western Powers for reinforcements of personnel. The Swedish Government is persisting in its attitude and has refused direct military intervention for reasons of neutrality.

According to statements made by Lord Halifax, large-scale British help for Finland is now to begin. The delivery of 250 planes and other war material is in progress. The despatch of volunteers will be greatly expedited.

Reports from France mention continued dissatisfaction and depression among the French population.

Misinterpretations of the Berlin statements at the press conference on the conduct of German submarine warfare (15 Feb.) have evoked much unrest and severe criticism, especially in the U.S.A. "Germany has no right to torpedo U.S. ships which are making for control ports."

The U.S.A. and Great Britain are expected to reach agreement soon on all disputed points to do with the blockade (check on shipping, mail etc.). Great Britain is said to have agreed to search American ships outside the war zone fixed by the U.S.A.

Special Reports on the Enemy.

Atlantic.

Great Britain:

The HOOD and WARSPITE have been detected west of the Hebrides by radio monitoring. Commanding Admiral, Home Fleet is on the RODNEY, probably in the Clyde. The cruiser NORFOLK is in a harbor in the Scapa area.

South Atlantic:

According to a report from the Naval Attache in Rio de Janeiro, the cruiser EAWKINS sailed from Rio on 14 Feb. The Brazilian Navy had consented to her staying longer than the 24-hour period. Two British escort vessels were observed outside Rio de Janeiro.

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

France:

The destroyer LEOPARD is in the area off Vigo, the destroyer FRONDEUR off St. Vincent. French patrol vessel near the island of Oms. As expected the tug ABEILLE at once reported the departure of the German steamers by radio.

North Sea:

In the forenoon British reconnaissance planes were over the Heligoland Bight several times. One Blenheim plane was shot down by fighters. Intensive air reconnaissance over the North Sea.

At 1115 the Admiralty sent a priority radio signal to all sea and shore command stations.

At 1340 our air reconnaissance sighted six enemy destroyers on easterly course north of our declared area.

At 1400 radio monitoring detected the cruiser ARETHUSA and destroyers of the 4th Destroyer Flotilla, according to radio bearings off Lindesnes.

At 1318 (1630) the cruiser received a message that the supply ship ALTMARK had been sighted by a reconnaissance plane.

1500 Report from the ALTMARK, off Egeroe, that she had sighted a cruiser of the AURORA class and five destroyers.

1749 (2130) Order from Commanding Admiral, Home Fleet to Commanding Admiral, Battle Cruiser Squadron and the cruiser NORFOLK to proceed to the Pentland Firth.

1745 (2205) Commanding Admiral, Submarines ordered the submarines SEAL, ORZEL and TRIAD to Joessing Fiord adding that further orders would follow.

1900 (2300) The NORFOLK ready to sail at 2100.

1900 (2230) The HOOD, WARSPITE and seven destroyers in 57° N, 8° 45' W, course 50°, speed eleven knots. (40 miles west of the southern part of the Heb.ides.)

1900 British destroyers forced the ALTMARK inshore. The INTREPID tried to come alongside.

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

- 0230 The Commanding Officer of the ARETHUSA reported that the destroyer COSSACK was lying alongside the ALTMARK and that he was about to return to Rosyth with his group. The submarine SEAL remaining in the Joessing area for the meantime.
- 0400 Commanding Admiral, Home Fleet ordered the task force HOOD and WARSPITE to return to the Clyde.

It is quite clear from the Admiralty orders and the steps taken by British forces that the operation against the supply ship ALTMARK was carefully planned and directed with the clear object of using all available means and if necessary violating Norwegian territorial waters, in order to capture the ALTMARK or to board her and free the prisoners.

Own Situation.

North Sea:

According to a report from the Embassy in Oslo, the supply ship ALTMARK entered the fortified area of Bergen on 14 Feb. and was to have been searched. After the Ambassador had intervened, pointing out her character as a government ship flying the Reich Service Flag, the ship was released early on 16 Feb. without examination and continued her voyage unhindered.

Forenoon: The ALTMARK was instructed by Group West not to cross the Skagerrak until she reached the line Arendal - Hirshals.

1400. At 1400 radio monitoring detected the cruiser ARETHUSA and destroyers of the 4th Destroyer Flotilla, according to a bearing in the area west of Lindesnes. The cruiser was informed at 1318 that the ALTMARK had been sighted by a reconnaissance plane. Almost simultaneously our air reconnaissance sighted six British destroyers north of the declared area. A flight of bombers from the 10th Air Corps was sent to attack the destroyers.

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

Presumably an urgent radio signal which the Admiralty transmitted to all sea and shore command posts at 1115, was connected with the sighting of the ALTMARK in Norwegian territorial waters and contained the orders to attack.

In view of the enemy situation, Group West informed the ALTMARK (radiogram 1542) that British forces were off Lindesnes and instructed her to keep on inside territorial waters and not to leave them until ordered.

At 1500 the ALTMARK, inside territorial waters, reported that she was being shadowed by a cruiser of the AURORA class and five destroyers about 12,000 meters out at sea.

(This must have been the group already detected off the south coast of Norway by the radio monitoring service.)

From the enemy situation detected by radio monitoring and the supply ship ALTMARK's report, Group West and Naval Staff knew that the enemy would try with all the means in his power to capture the ALTMARK - he had already taken extensive measures to deploy his forces. Under these circumstances our earlier idea that she would be completely safe in Norwegian territorial waters could no longer hold good. We had to reckon with an enemy attempt at capturing the ship - extremely valuable for his prestige - even by violating the limits of Norwegian territorial waters. The possibility of sinking the ship without warning by torpedo or gunfire was excluded as long as the enemy's main object, the 300 prisoners, were still on board.

1600. Possible ways of protecting the ALTMARK:

1. Attempt to shake off the enemy, possibly by turning about to the north. Break through westwards into the open sea, passage southwards in the open sea under cover of night so as to evade the enemy forces along the coast. Meet our forces in the central North Sea the next morning.
2. Proceed onwards inside territorial waters. Shake off the shadowing enemy forces. Leave territorial waters at high speed under cover of darkness. Cross the Skagerrak.
3. Put in to the nearest Norwegian fiord in order to preclude an enemy attack in outer territorial waters. Immediate despatch of available naval forces to the south coast of Norway to destroy or drive off the enemy forces lying off

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

the fiord. Some of the submarines in waiting disposition to be sent to favorable positions for attacking the British forces.

After thorough examination of the situation, Naval Staff decided on the third proposition, as this offered the greatest prospect of removing the ship from the enemy's clutches. A telephone discussion with Group West showed that we were in agreement.

In radiogram 1612 the ALTMARK received the Group's order to put in to Lister Fiord or the nearest anchorage protected against torpedoes.

Following Naval Staff's reminder that anchoring in territorial waters was out of the question as far as neutrality regulations were concerned, a supplementary order given to the ALTMARK: "Do not anchor, but stand on and off during the night in an area where you are protected against torpedoes."

We held a telephone discussion with Group West on the possibility of having the battleships or at least one battleship or the cruiser HIPPER and destroyers sail that very evening on a sweep against the Norwegian coast. The vigorous measures undertaken by Group West to get the ships on the move immediately were unsuccessful, since the state of readiness of the destroyers, the extraordinarily severe ice conditions and difficulties in navigation arising from the ice situation and displaced seamarks did not permit them to sail during the evening or at night.

1730. A message was sent via the Naval Attache in Oslo to the Norwegian Government drawing their attention to the forces shadowing the ALTMARK and asking them to ensure the protection of the Government ship and thus avoid incidents in territorial waters.

The Norwegian Naval Staff took up this hint immediately and agreed to keep a check on the area concerned by means of planes and to consider further measures. In the course of the evening radio monitoring detected further enemy movements. Three submarines were brought up to the ALTMARK's position, several destroyers east of the Moray Firth moved farther east and the heavy units of the Home Fleet moved in the direction of the Pentland Firth. At 1900, the HOOD, WARSPITE and seven destroyers were about 40 miles west of the southern part of the Hebrides and were steering northeastwards at 11 knots. The cruiser NORFOLK was likewise ordered to proceed

16 Feb. 1940

CONFIDENTIAL

to the Pentland Firth. The ALTMARK was informed of the movements of the enemy submarines.

Our own submarines were informed of the movements of the heavy forces. Commanding Admiral, Submarines ordered the submarines as far as possible into favorable attack positions (2 submarines off the southern coast of Norway, 1 off Joessing Fiord, 3 east of the British declared area off the Firth of Forth, 3 off the Pentland Firth).

1900. About 1900 a radiogram from the ALTMARK to the coastal radio station "Tjoemme" was picked up, according to which British destroyers had forced her close to the land and the destroyer INTREPID was attempting to come alongside 200 meters from the shore. The ALTMARK had been able to prevent this by turning aside into Joessing Fiord. She was drifting in the fiord with British forces lying in wait at the entrance. Two Norwegian torpedo boats were between them and the ALTMARK. The ALTMARK sent a short report on this situation to the Group at 1945.

2000. Group West with the concurrence of Naval Staff then directed the ALTMARK to make a sharp protest to Norway against the British contravention of international law and to give that as the sole reason for putting into the fiord. Norwegian escort to be requested for the rest of the voyage.

2240. The Foreign Office after consultation with Naval Staff made a similar sharp protest in Oslo against the British forces' grave breach of international law. No further news received from the ALTMARK herself.

17 Feb.
0230

Radio message from the Commanding Officer of the ARETHUSA to Admiralty (the message was available, decoded, at 0600). In it he reported that the destroyer COSSACK was lying alongside the ALTMARK and that he was returning to Rosyth with his group. There were no German prisoners on the ARETHUSA. The submarine SEAL was remaining off Joessing Fiord for the present.

It therefore appears that in spite of the Norwegian torpedo boats' reported in the ALTMARK's message to the coastal radio station the

CONFIDENTIAL

16 Feb. 1940

CONFIDENTIAL

British destroyers have seized the ship. We have no more information on her later fate. The ALTMARK was requested to report the situation and an appropriate inquiry has been directed to Oslo via the Attache.

16 Feb. Atlantic:

Nothing special to report. See Submarine Situation. The British press is full of an alleged attempt at escape by eleven members of the GRAF SPEE's crew. The report was expressly denied by Montevideo. The Argentine Government is at present considering the details of their internment in the Argentine. The presence of the crew, in uniform, in Buenos Aires has proved a valuable propaganda asset for Germany and has therefore become the subject of diplomatic representations by the British and French Embassies. The internment scheme is to be carried out as soon as possible. The German crew are to stop wearing uniform.

Baltic Sea:

Ice situation unchanged. No activity by naval or air forces.

Submarine Situation.

Atlantic:

Situation unchanged.

Submarine U "50", southwest of Ireland, has reported seven torpedoes fired and four ships sunk.

North Sea:

In the operational area: Submarines U "18", U "22", U "23", U "57", U "14", U "10" and U "19".

Submarine U "14" has reported sinking four steamers. One miss.

On passage: Submarines U "61", U "62", U "13".

For operations in connection with the ALTMARK affair and the movements of British forces see under North Sea Situation.

16 Feb. 1940

CONFIDENTIAL

A British plane has reported a bombing attack on a German submarine in grid square AN 4153. She claimed to have scored one hit.

Merchant Shipping.

At the request of Group West the following telegram has been sent via the Foreign Office to the Vice-Consuls at Haugesund and Kristiansand: "In view of the ALTMARK incident hold up sailing of southward bound steamers from Haugesund."

CONFIDENTIAL

17 Feb. 1940

CONFIDENTIAL

Conference on the Situation with the Chief, Naval Staff.

Special Items:

On the subject of the dockyard periods for the battleships, Group West proposed that as it would be undesirable for both of them to be out of action together for rather a long time, the dockyard periods should be arranged in succession, so that one battleship would always be available.

Naval Staff's viewpoint is that it is operationally correct for both battleships to carry out their dockyard overhauls simultaneously. Large-scale operations with only one battleship are impossible.

Offensive battleship operations must lapse for the duration of the dockyard period (May to July). The battleships are not required for defensive purposes in our own inshore waters. In any case a certain degree of compensation is afforded during this time by the readiness of two heavy cruisers.

Items of Political Importance.

The German Ambassador in Oslo made a very sharp protest against the violation of Norwegian neutrality by the British destroyer COSSACK during the attack on the supply ship ALTMARK (see also War Diary, Part C, Vol. VIII.).

Readiness measures in Belgium. Restrictions of leave for Army personnel. Rumors of imminent mobilization.

Russian advance on the Karelian isthmus. The Finnish Foreign Minister has denied reports that Finland has requested the Western Powers for help. The Swedish Government is standing by its refusal to grant Finland any large scale active military support.

17 Feb. 1940

CONFIDENTIAL

Sharp speeches in the U.S. Senate debate against the British mail and blockade control. A motion to forbid U.S. mail planes the intermediate landing on the Bermudas and thus prevent checking was rejected. For statements from Great Britain and the U.S.A. on the alleged intensification of submarine warfare; also Danish and Norwegian commentaries on the German conduct of naval warfare see Foreign Press Report (Naval News) No. 41. The Norwegian press is stressing alleged firing by German planes on lifeboats belonging to sunk ships.

Special Reports on the Enemy

Atlantic:

Great Britain:

The aircraft carrier HERMES is proceeding to Freetown. The cruiser NEPTUNE will probably be in Freetown early on 18 Feb.

The battle cruiser HOOD and the old battleship WARSPITE have been allocated berths in the Clyde by the Commanding Admiral, Home Fleet, and will arrive there during the evening of 17 Feb.

France:

Radio monitoring has detected various convoy movements. Admiral West has sent several messages to patrol units giving information about the sighting of submarines in the Bay of Biscay and along the northwest coast of Spain.

North Sea:

The destroyer COSSACK put in to Leith at 1630 with the prisoners taken during the attack on the ALTMARK on board.

The cruiser SOUTHAMPTON at present in Kirkwall; the EDINBURGH and ARETHUSA will put in there on 18 Feb. to refuel. The destroyer WOOLSTON reported that a ship had run aground between the Wash and the Humber.

Various reconnaissance flights over the Heligoland Bight and Northern Germany during the night of 17 Feb.

17 Feb. 1940

CONFIDENTIAL

According to reports from Kirkenes, British cruisers are still supposed to be in north Norwegian waters.

An assembly of 18 ships carrying wood is reported from Bergen. Reliable reports also state that the armed British ore steamers on the Narvik run now proceed direct from Westfiord to the Shetlands, without joining the Bergen convoys near Floroe.

Shipping Losses:

The Dutch steamer ALKMAR (6,980 tons) struck a rock. The British steamer LANGEFORD (4,622 tons) was sunk in the Atlantic on 14 Feb. The Norwegian steamer KOERNATS (1,800 tons) sank after an explosion. The Norwegian steamer SEGOVIA (1,400 tons) is overdue.

Own Situation.

Atlantic:

Nothing special to report.

North Sea:

The ALTMARK: During the forenoon the Foreign Office and the Naval Attache gave the following survey of the situation:

On the evening of 16 Feb. skillful maneuvering by the ALTMARK's captain, who so placed his ship that the two Norwegian torpedoboats were between himself and the enemy, defeated two British attempts at capture, but at 2200 the ALTMARK was boarded and overpowered by the destroyer COSSACK in Joessing Fiord. The COSSACK by means of ruthless use of weapons seized the prisoners and made off with them. Several members of the crew (six so far) killed, others seriously wounded. During the attack the British fired at men escaping over the ice and swimming in the water. The ship's heel is aground. The captain hopes to get her off under her own power.

Air reconnaissance in the area along the Norwegian coast detected no further enemy forces.

The British forces which took part in the action against the ALTMARK have put in to east Scottish ports.

17 Feb. 1940

CONFIDENTIAL

Submarine U "13" is disposed off Joessing Fiord to protect the ALTMARK and patrol the entrance. By decree of the Fuehrer, Norwegian neutrality is to be strictly observed.

Propaganda is primarily directed against Great Britain, emphasizing her gross breach of neutrality and stressing the ALTMARK's character as an unarmed merchantman. (For details see War Diary, Part C, Volume VIII.)

Baltic Sea: Nothing special to report.

Submarine Situation.

Atlantic: Nothing special to report.

Submarine U "48" has begun her homeward trip after sinking another steamer (6,500 tons).

North Sea: The submarines which were temporarily moved on account of the ALTMARK events have been ordered to resume the positions for which they were originally scheduled. (Except submarine U "13").

Submarine U "14" has commenced the return trip, submarine U "63" has sailed from Heligoland into the operational area, so that there are now ten boats in or approaching the operational area.

Merchant Shipping:

The steamer SAO PAULO (4,977 BRT) put in to Norway from overseas. The ship left Cabedello / Brazil on 8 Jan. The ship is the third of five ships which sailed from overseas in January and have successfully accomplished the breakthrough.

Movement of shipping on the Norwegian route, temporarily stopped because of the presence of enemy forces on the southwest coast of Norway, has been resumed.

For formal verbal reports from the Attachés in Helsinki, Tallinn, Moscow, The Hague to Chief, Naval Staff on 16 Feb. see Part B, Volume V, Page 102.

18 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

For official Admiralty communique and attitude of the Scandinavian countries to the ALTMARK incident see Foreign Press Report (Naval News) No. 42 and Foreign Press Review dated 19 Feb. The Norwegian Government has made a strong protest to Great Britain.

Sharp note from Great Britain to Norway. Great Britain regards Norway's failure to search the ALTMARK and discover the British prisoners as a serious dereliction of duty. Great Britain demands the internment of the ship. (See also Part C, Vol. VIII.)

Special Reports on the Enemy.

Atlantic:

Great Britain:

At 1900 the Commanding Admiral, Home Fleet informed the Commander, 2nd Cruiser Squadron that the RODNEY, HOOD, WARSPITE and nine destroyers would sail from the Clyde on the afternoon of 19 Feb. and proceed through the Minch. From this message it seems that at present there are no battleships at sea in a waiting disposition in the northern Scottish area and northwest of the Hebrides.

Radio monitoring picked up various messages about convoys on the North Atlantic and Gibraltar routes.

France:

Warnings of submarines off Cape Villano, Cape Ortegal and west of the Bay of Biscay. Submarine chase southwest of Ireland. The destroyer TERRIBLE has taken over a convoy near Cape Ortegal. The destroyer FANTASQUE has sailed from Brest with orders to cruise off Vigo.

North Sea:

There are at present in the Orkneys area the cruisers NORFOLK, EDINBURGH, NEWCASTLE and SOUTHAMPTON, also an unknown number of destroyers as well as the cruiser ARETHUSA, which has returned from the Norwegian coast.

18 Feb. 1940

CONFIDENTIAL

At 0200 tomorrow the EDINBURGH and ARETHUSA are to make for a point 50 miles east of the Orkneys to meet the convoy O.N. 14 (24 ships) which sailed northward from a port in the Firth of Forth at 1600 on 17 Feb. A number of destroyers is with the cruisers. Until it meets the cruisers the convoy is escorted by the CAIRO, four ships of the 3rd Destroyer Flotilla, the destroyer EXPRESS and one submarine. Our own submarines have also reported the convoy escort as above.

The battleships RODNEY, WARSPITE and HOOD sailing from the Clyde tomorrow afternoon should probably be north of the Shetlands on 21 Feb., presumably as remote escort for the convoy traffic to and from Norway (probably convoy from Norway on 20 Feb.). A convoy escorted by some destroyers has been detected east of the Pentland Firth on a westerly course and reported by one of our own submarines. The convoy is coming southwards from Norway. Radio monitoring has detected further movements of smallish destroyer groups and submarine chaser formations in the Scapa - Orkneys area.

(Group West kept informed of the enemy situation.)

Shipping Losses:

The British steamer Cheldale (4,218 tons) sank after a collision with the British steamer GREYSTOKE CASTLE off the coast of South Africa.

The Swedish steamers LIANA (approximately 1,600 tons) and OSMED (approximately 1,600 tons) sank in the North Sea, also the British steamer AILSA (3,600 tons).

Own Situation.

Atlantic:

Nothing special to report.

The Naval Attache in Madrid has reported that the Counsellor of the French Embassy told a director in the Spanish Foreign Office privately that the French were aware that German submarines were receiving their supplies from Spanish coastal vessels and would take suitable action.

18 Feb. 1940

CONFIDENTIAL

North Sea:

Early on 18 Feb. the battleship formation (GNEISENAU, SCHARNHORST, HIPPER and eight destroyers) under the command of Commanding Admiral, Naval Forces, West sailed for a sortie into the Shetlands - Bergen area in accordance with Operational Order, Commanding Admiral, Naval Forces, West, No. 5 dated 23 Jan. 1940.

Commanding Admiral's plan: Surprise sortie with the battleships, the HIPPER and three destroyers type 36 against enemy convoy traffic between Norway and the Shetlands, destruction of merchant ships belonging to or sailing for the enemy, also their escorts. Furthermore the heavy ships' appearance in the northern North Sea should draw enemy home forces putting to sea towards our submarines in waiting disposition.

Destroyers are to complement the heavy ships' sortie by carrying out operations against merchant shipping in the eastern Skagerrak. The battleships' advance proceeded according to plan on 18 Feb. Radio monitoring did not detect any striking radio traffic and it seems that the enemy has failed to notice anything. Naval Staff thinks that enemy situation and the expected convoy traffic afford good prospects for the operation.

Air reconnaissance by Commander, Naval Air, West and 10th Air Corps as far as 61° N has not produced any reports on the enemy. Our own submarines in the Orkneys - Shetlands area, which sent some reports on enemy ships and convoys, have been allocated new attack positions appropriate to the enemy movements detected. The ZENKER, one of the destroyers participating in the battleship operation, has had to commence the return trip. At about 1100 armed enemy reconnaissance planes unsuccessfully attacked the 6th Minesweeper Flotilla on route "Blau".

Group West and Commanding Admiral, Submarines have received the following teletype:

The present directive forbidding acts of war inside a four mile zone off the Norwegian coast was intended to apply to the war on merchant shipping only. In order to avoid politically undesirable discussions about violations of neutrality caused by measures in accordance with Prize Regulations, the area between three and four miles off the coast is in this directive treated as territorial waters. Against enemy warships however, the German legal interpretation stands, i.e. three miles only are to be observed as territorial waters. Enemy warships are therefore to be attacked in the zone between three and four miles.

18 Feb. 1940

CONFIDENTIAL

It is reported from Oslo that a blade of one of the ALTMARK's propellers has been broken off and that the rudder is badly bent. The ship hopes to get off on 19 Feb. under her own power, but will then require powerful tugs, as it does not seem likely that she will be able to steer properly.

With regard to the Norwegians' excuse that no tugs are available, the Foreign Office is to make energetic representations and request that the ship be got ready to proceed in a south Norwegian port.

Baltic Sea:

The Swedish icebreaker YMER will arrive in Swinemuende early on 19 Feb. to get away the Swedish colliers there.

Sweden has rejected the German proposal to have the YMER made available for a short time for German merchant shipping assignments.

Submarine Situation:

Atlantic:

Submarine U "29" has been informed of the movements of British forces from the Clyde to the Minch. Submarines U "37" and U "53" are operating near Cape Ortegal against a convoy proceeding northwards. In the forenoon submarine U "37" reported: One tanker out of the convoy and one unidentified Greek vessel sunk. Total sunk: Two tankers, five steamers, one escort, 43,000 tons. An excellent result. After first proceeding to the lee coast of Spain in order to reload, she reported in the evening that there were heavy patrols there and she had therefore decided to reload off the Irish coast. Submarine U "53" reported: One tanker from convoy sunk, Spanish coast heavily patrolled, boat located and fired upon, likewise proceeding to the Irish coast to reload.

In the morning submarine U "50" was ordered to operate against the convoy, in the afternoon reported trouble with Diesel engines.

At 2000 submarines U "26" and U "50" were ordered to proceed to position "Rot" unless they are shadowing the convoy. Submarine U "26" is to report their departure for this point. (See Situation - Atlantic.)

Submarine U "48" has begun the return trip, submarine U "28" left for the operational area.

North Sea:

Submarine U "57" has reported sinking the tanker GRETA FIELD, two misses on a destroyer. The submarine observed one heavy cruiser with two destroyers putting in to Scapa.

Submarine U "23" has sunk the destroyer protecting the port quarter of a convoy. (She was the destroyer DARING (1,375 tons.)

In connection with the battleship operation there are now in the North Sea operational area:

Submarines U "10", U "18", U "19", U "22", U "23", U "57", U "13", U "60", U "61", U "62".

On passage:

Submarine U "63" west of the German declared area.

On return passage:

Submarine U "14" Route 2.

Merchant Shipping.

The German steamer BALDUR (5,805 tons) which at 1300 on 16 Feb. was reported by the Vice-Consul at Haugesund as returning home with a cargo of ore from Kirkenes, was pursued off Lister by British naval forces taking part in the operation against the ALTMARK. The ship was scuttled, the crew picked up by the British destroyer IVANHOE.

Presumably this attempt to capture the ship took place inside Norwegian territorial waters.

A telegram has been sent via the Foreign Office to the Embassy in Oslo and the Vice-Consuls at Haugesund and Kristiansand: "South-bound steamers to proceed inside Norwegian territorial waters."

18 Feb. 1940

CONFIDENTIAL

Foreign Shipping.

According to a French report, eight U.S. ocean-going steamers, including the PRESIDENT HARDING, have been sold to a Belgian company. The Belgian Naval Commission is said to have agreed to the purchase.

These are apparently the same steamers which some time ago, probably at British instigation, were to be used to found a new U.S./Norwegian company in Norway. The ships are doubtless intended for merchant traffic in U.S. goods and for deliveries to Great Britain! The U.S. neutrality regulations have definitely been circumvented by the sale.

Items of Political Importance.

The ALTMARK incident is still the main item of political interest. Norway's viewpoint has been unequivocally stated by Foreign Minister Doht and Prime Minister Hambro. The Neutrals take strong exception to the British contravention of neutrality. Sweden and the U.S.A. are very reserved in their judgment. Widespread sympathy in the U.S.A. for Great Britain's policy of taking the law into her own hands. Enthusiastic agreement with the British attack in enemy countries.

For particulars see Political Review and Foreign Press Report dated 19/20 Feb.

With regard to the treatment of the ALTMARK from the propaganda angle Naval Staff finds it regrettable that the first German communique described the ALTMARK as a plain merchant ship and hardly mentioned the British prisoners on board. Enemy propaganda was thus given the opportunity to attack German reporting. At the instigation of Naval Staff, Operations Division earlier statements were amplified and the ship's capacity as a naval tanker as well as her role as a supply ship for the SPEE stressed. (See War Diary, Part C, Vol. VIII). (For the legal situation in the ALTMARK affair see War Diary, Part B, Vol. V, Page 104).

The report about Finland's urgent request for help from the Western Powers is confirmed.

In view of the foreign press campaign against German naval warfare, which has recently become increasingly bitter, and the misunderstandings raised by the speech of the Chief of the Foreign Office, Press Division at his conference, Naval Staff has sent the Foreign Office a draft statement to guide missions abroad who have to speak about the German war on merchant shipping.

(See letter to Foreign Office, War Diary, Part B, Vol. V., Page 103).

Reports from Great Britain speak of the speeding up of Allied aid for Finland. Transports carrying material and volunteers will be dispatched as soon as possible.

19 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic:

Great Britain:

Radio monitoring subsequently established that the old battleships VALIANT and MALAYA put in to the Clyde on 6 Feb.

The cruiser DEVONSHIRE is northwest of the North Channel, making for the Clyde. The aircraft carrier HERMES put in to Dakar on 19 Feb.

The British Government has again offered all neutral ships the protection of the British convoy system and points out the special measures taken to safeguard convoy traffic.

France:

Increased patrol activity was detected off the Spanish coast in connection with the sailing of the German steamers from Seville and Gijon.

North Sea:

Nothing special to report apart from slight air reconnaissance activity during the day over the central North Sea and during the night into the Heligoland Bight.

Radio traffic was generally quiet and nothing out of the ordinary was observed.

A convoy was detected in the Harwich area.

Otherwise see under Own Situation.

Shipping Losses:

The British Admiralty has confirmed the loss of the destroyer DARING (submarine U "23"). A British tanker (10,000 tons) (GRETA FIELD?) which was torpedoed four days ago, is said to have put in to a Scottish port severely damaged. The Greek steamer ELLI (1,114 tons) was torpedoed and sank 60 miles from Cape Finisterre. (Submarine U "37"?) The Spanish steamer BANDERAS (2,140 tons) sank off the northwest coast of Spain, six miles from Cape Villano. (The matter is being thoroughly investigated.)

19 Feb. 1940

CONFIDENTIAL

Own Situation.

Atlantic:

Nothing to report.

North Sea:

The battleship sortie: (Operation "Nordmark".)

Thanks to exhaustive radio monitoring and the excellent work of the deciphering service, which has at present very largely broken down the enemy radio codes, Naval Staff and Group West have a clear and almost complete picture of the disposition of enemy forces in the North Sea area. (See War Diary dated 18 Feb.)

Early on 19 Feb. the British heavy forces were still in west coast ports. In the afternoon the RODNEY, WARSPITE and HOOD sail from the Clyde to the Shetlands area to act as remote convoy escort. A partially decoded teletype revealed that an apparently important convoy must await the arrival of the heavy ships and not sail until 20 Feb. During the forenoon of 19 Feb. however, we could not be absolutely certain as to what convoys were actually passing through the Shetlands - Norway area.

From convoy reports on the morning of 19 Feb. the prospects of success at first seemed to be extremely favorable for our battleships. Available reports showed that the convoy "O.N. 14", protected by the ARETHUSA, EDINBURGH, CAIRO, five destroyers and one submarine, was 50 miles off the Orkneys at 0200 and should therefore have been in the waters between the Shetlands and Norway at 1000.

It was assumed that the Commanding Admiral was already operating against this convoy, as information on the situation was constantly being transmitted to him by Group West.

Further reports about the enemy indicated that a convoy had put in to Kirkwall. Our original assumption that there were two separate convoys was unfortunately not confirmed. During the forenoon it was ascertained that the only convoy to be expected today was not to sail for Norway as yet. It was either still being assembled or was to be held in Kirkwall. The one prospective target for the battleships was thus kept out of their clutches for the day's operations.

19 Feb. 1940

CONFIDENTIAL

Air reconnaissance by Commander, Naval Air in the Skagerrak area and by 10th Air Corps up to the line Orkneys - Sogne Fiord did not sight any enemy forces of any kind.

To judge by the enemy's normal quiet radio traffic, he must be ignorant of the movements of the Commanding Admiral. No contact was made with the enemy.

With the enemy situation especially favorable - heavy forces still in the Clyde, no equal or superior forces in the operational area - and with no indications of British countermoves during the day, the large number of submarines in waiting disposition would probably also find no targets. Naval Staff therefore came to the conclusion that it was necessary to extend the battleship operation by another day in order to make the most of the favorable prospects of success. Since the enemy obviously has no insight into the battleships' movements, we may expect to surprise a convoy or inferior enemy naval forces. With the enemy situation as at present Naval Staff can see no special risk in the battleships remaining in the Shetlands - Norway area even if the accompanying destroyers have to return because of lack of fuel. Naval Staff is even considering the possibility that the battleships might make a surprise appearance the next morning in the Orkneys area off Shapinsay Sound and bombard the merchantmen assembling in convoy and the light enemy forces lying off Kirkwall.

On principle the Chief, Naval Staff was reluctant to interfere in a battleship operation actually in progress and did not wish to issue any definite leading directive. In his view the conduct of such operations is the responsibility of Commanding Admiral, Group West and any orders issued by Naval Staff during the course of a sortie must have a disturbing, restrictive and therefore prejudicial effect on Group West's decisions.

In a telephone conversation with the Chief of Staff of Group West however, fundamental agreement in the assessment of the situation was established between Naval Staff and Group West.

Thinking that the constant reports on the enemy situation would lead the Commanding Admiral to the same conclusions and the relevant decision to extend the sweep to the next day, Group West refrained from sending him a clear

19 Feb. 1940

CONFIDENTIAL

unequivocal order to prolong the operation. Instead of transmitting its own exhaustive survey of the situation and the appropriate conclusions the Group confined itself to the dispatch of a short situation report worded as follows:

"Radio traffic again normal. Effects of the operation not yet recognizable. Expect heavy forces in Clyde or North Channel. Extension of operation to 20 Feb. offers good prospects and does not seem to be dangerous."

Naval Staff was not at all satisfied with the wording of the last sentence. Their viewpoint has been brought to the Group's notice.

As expected, no reports have been received from the Commanding Admiral, so presumably further action will be in accordance with the plan of operations.

The ALTMARK Situation:

Attempts to get the ship off have been postponed till 20 Feb. At the moment the captain does not think he can proceed without a strong tug. The OLAF TRYGVASON arrived on 19 Feb. to reinforce the patrols. It has been reported that patrol vessels receive their permission to fire from the Admiral in Kristiansand.

Attempts are being made via the Naval Attache in Oslo to have this firing order to the patrol vessels altered.

Baltic Sea:

Nothing to report.

Ice situation: Great Belt: solid covering of ice. Kattegat: Eastern part: solid ice. Western part: ice broken up. Along the Swedish coast: steamer traffic with the aid of icebreakers. The Sound: solid covering of ice in the southern part.

The HESSFN has reported damage sustained while assisting to break ice. Period of eight days in dock will be necessary before the commencement of the firing practice.

19 Feb. 1940

CONFIDENTIAL

The Swedish icebreaker YMER has been getting steamers out of Swinemuende and Stettin; she will later proceed to Danzig.

Submarine Situation.

Atlantic:

Situation unchanged.

In view of the state of her fuel reserves submarine U "26", west of the Bay of Biscay, is returning to the operational area west of the Channel. Four steamers (17,000 tons) sunk to date. The Naval Attache in Madrid has reported that submarine U "41" (Lt. (s.g.) Mugler) did not arrive in Cadiz to refuel either on 16 or 17 Feb. Anxiety is felt about her fate, as we have heard nothing of her for 14 days. On 9 Feb. British radio reported that two submarines had been sunk while attacking convoys, and there are also press reports about the sinking of a submarine by a French destroyer.

North Sea:

Ten submarines are still in position for complementary operations with the battleships. Some are being sent against the reported convoy. They have been informed that our own heavy forces may possibly be operating against the same target.

Since the battleships in the Shetlands - Norway area have not been detected by the enemy and have not shown themselves, the disposition of a large number of submarines off the enemy's ports in the Orkneys - Shetlands area has unfortunately had no effect at all. Submarine U "10", operating in the Hoofden (northeastern entrance to the English Channel, Tr.N.) area, is beginning the return trip after having sunk two steamers.

Merchant Shipping.

The steamer MOREA (1,927 BRT) which sailed from Vigo on 10 Feb. with five other steamers, was captured by a British warship. A prize crew took her in to a west coast port.

20 Feb. 1940

CONFIDENTIAL

Items of Political Importance.

According to reports from Denmark, public opinion there has recently reacted against Germany following the sinkings of Danish ships and the consequent loss of life.

The President of the Norwegian Storting, Hambro (a Jew) has made some very pointed comments on the British violation of neutrality in the ALTMARK affair. (See Political Review No. 43).

According to a statement by the Greek Prime Minister Metaxas, the Greek government does not think that the Eastern Army under Weygand will operate in the Balkans.

For Chamberlain's speech and other foreign comments on the ALTMARK affair see Foreign Press Report No. 44. British propaganda has succeeded in Holland, the U.S.A., Hungary and especially in Switzerland, where feeling is very strongly anti-German.

The British press reports that the first contingent of British volunteers for Finland, consisting of 400 men, will leave this week.

The Turkish Cabinet has decided to bring the law on national defense into force. This law empowers the Government to declare war and to fulfil the obligations undertaken towards the Allies.

Conference on the Situation with the Chief, Naval Staff.

Special Items:

1. A private conversation with the assistant to the Military Attaché in Tallinn has revealed that Estonia is apparently prepared to turn her two submarines over to Germany. Possibly

20 Feb. 1940

CONFIDENTIAL

Estonia might voluntarily offer her submarines during preliminary discussions with the German Navy.

The Chief, Naval Staff is to bring the matter to the Fuehrer's notice. Russian consent is essential, and if at all possible, the request to Russia should come from Estonia.

2. Report by the Chief, Operations Branch on the course of the battleship operation as far as is known. In spite of very favorable conditions to our deep regret the operation has been concluded without success. The Chief, Naval Staff has given orders for it to be repeated in the very near future. A relevant directive is to be issued to the Group.

3. Operational control of the LUETZOW and the auxiliary cruisers during their breakthrough.

The situation has now been so changed through the long delay in the sailing of the Atlantic forces caused by the ice, that the considerations which formerly led the Naval Staff to take over control of the breakthrough into the Atlantic no longer hold good.

In the present situation Naval Staff thinks it more important to integrate all the breakthrough operations - the cruiser LUETZOW and her supply ship NORDMARK (reserve supply ship DITHMARSCHEN) and the auxiliary cruisers (at the moment Ships "16" and "36") - into the general framework of operations in the North Sea. The operational control is therefore to be in the hands of Group West. The directive runs as follows:

Group West in command of the breakthrough until the ships cross the line of 60° N in the Atlantic. After that Naval Staff.

The commanding officers of the auxiliary cruisers are themselves to fix the time of sailing in agreement with Group West.

Every endeavor is being made to ensure that the pocket battleship and her supply ship will be ready to sail by the new moon period at the beginning of March, also that the auxiliary cruisers are moved to the North Sea in good time. The main factor to be remembered when choosing the sailing dates is that weather, phase

20 Feb. 1940

CONFIDENTIAL

of the moon and enemy situation must favor the chances of a breakthrough unobserved. It would be advisable to postpone the sailing of the pocket battleship until it can safely be assumed that one supply ship has broken through successfully. (See directive to Group West dated 16 Feb. 1940, War Diary, Part C, Vol.I.)

Special Reports on the Enemy.

Atlantic:

Great Britain:

Reports from Great Britain confirm previous messages that the old battleship NELSON was severely damaged in December 1939 when she struck a mine.

Radio monitoring detected air reconnaissance in the area north of the Minch, probably connected with the protection of the battleships in that area, RODNEY, WARSPITE and HOOD. At 0900 a plane reported a submarine (submarine U "48"?) north of the Hebrides.

Repairs to the cruiser YORK in the Clyde were completed on 17 Feb.

The consul at Reykjavik reported the appearance of British cruisers and destroyers northwest of Latrabjarg.

France:

Radio monitoring detected various convoy movements. Warning of submarines west of Vigo and south of St. Vincent.

Neutrals:

The Embassy in Washington reported: The shipping authorities approved the sale of eight steamers to a Belgian company, also their transference to the Belgian flag. The Belgian Government offered their active co-operation in the matter. The steamers - totaling about 65,000 tons - are to operate on the freight service

20 Feb. 1940

CONFIDENTIAL

between New York, British-French ports and Antwerp. The neutrality law forbids U.S. citizens to serve as crew; the steamers will probably be under the command of British officers.

North Sea:

Enemy air reconnaissance east of Scotland during forenoon. During the night of 20 Feb. enemy bombers penetrated over the Heligoland Bight.

The cruiser GLASGOW which put in to Scapa has begun boiler cleaning there. This seems to indicate that following operations by the netlayer GUARDIAN fairly large vessels are again using Scapa as a temporary base.

In the House of Commons the First Lord of the Admiralty said in answer to a question that the close blockade of the sea route Germany - Netherlands was extremely difficult owing to the strength of the expanded German Air Force.

The Admiralty has issued an order forbidding unarmed British steamers to leave any British port.

Shipping Losses:

The Norwegian steamer HOP is overdue. The Norwegian steamer SANGSTAD (4,271 tons) was torpedoed off the west coast of Ireland on 15 Feb. The Dutch steamer TARA (4,760 tons) blew up 60 miles southwest of Finisterre. The British tanker IMPERIAL TRANSPORT (8,022 tons) was torpedoed in the North Atlantic.

Own Situation.

Atlantic:

Nothing special to report.

North Sea:

Battleship operation "Nordmark":

The forces under Commanding Admiral, Naval Forces, West returning from their operation in the Shetlands - Norway area were off List at 0800 on 20 Feb. and returned to Wilhelmshaven in the afternoon.

20 Feb. 1940

CONFIDENTIAL

The operation has been uneventful. No contact was made with the enemy. On the return trip an enemy submarine was sighted 40 miles north of our declared area and forced to submerge by depth charges. (Formation reported as "cruiser and destroyers" by the submarine. Report passed on to the submarines SALMON and SUNFISH).

On his return the Commanding Admiral made the following brief report:

1. Operation "Nordmark" carried out.
2. Assembly of formation in Wangeroog roads probably spotted by a British plane the night before sailing.
3. Sailing on first day of operation probably unobserved.
4. On the second day operated without result on a suspected northern convoy from morning till evening. Operation ended according to plan as there was no evidence to give promise of success on 20 Feb. and the destroyers were short of fuel.
5. Traffic sighted: apart from fishing vessels, one Norwegian steamer in ballast near Viking Bank, easterly course, one tanker on easterly course entering territorial waters near Stadtlandet. (Report from ship's plane).
6. At 0145 on 20 Feb. in grid square 3736 enemy submarine on starboard bow of the leading ship forced to submerge and attacked with nine depth charges by HEIDKAMP. Success not confirmed.

Naval Staff feels that the battleships' unsuccessful sortie and the Commanding Admiral's report are unsatisfactory. In Naval Staff's opinion the enemy situation was sufficiently clear. The definite news of the sailing of an apparently important convoy from Kirkwall on 20 Feb. seemed to give promise of success. As the British forces did not sail from the Clyde until the afternoon on 19 Feb., they could not have reached the operational area of our battleships in time. The Commanding Admiral could reckon on surprising the enemy.

Considering the favorable reports about the enemy a continuation of the operation promised well.

20 Feb. 1940

CONFIDENTIAL

To break off the operation and thus fail to exploit a period when the enemy situation seemed especially favorable was therefore not in accordance with the viewpoint of Naval Staff nor of Group West.

The operation plainly indicates that the Group Command, as the operational headquarters ashore and the responsible command post for North Sea operations, should not confine itself merely to sending the Commanding Admiral at sea the incoming intelligence on the enemy situation and information about its own measures. Prompt action to remove any possible uncertainty on the part of the Commanding Admiral may be necessary. For this purpose the Group Command should intervene in an operation actually in progress and issue a clear directive unmistakably defining the viewpoint of the command posts ashore who are the best informed as to the enemy situation. Just as the Group Commands must be kept up to date about Naval Staff's views and operational plans through the frequent verbal and written exchange of ideas, so the Commanding Admiral at sea must have knowledge of Group Command's train of thought and must know the possibilities that the Group and Naval Staff see in the operations under his command. He must know what the Group hopes to gain from his measures or considers to be the essential and profitable results, so that he can make his own review of the situation accordingly.

In addition to these facts about control from ashore, the battleship sortie has again confirmed Naval Staff's opinion that undertakings of this kind should not be isolated and infrequent operations, planned on a large scale with weeks and months between them. The only way to achieve success is for the battleships to make frequent appearances in the Shetlands - Norway area and beyond, and naval forces must be kept in constant readiness to exploit favorable enemy situations and promising opportunities for attack. It is true that our disparity of strength enjoins general caution and precise reconnaissance of the enemy's movements and makes it out of the question for our forces to remain permanently in the northern sea area. Nevertheless the only way to success in this war is to call on the battleships and heavy cruisers to show a certain amount of daring in their operations and take deliberate risks even in action against enemy surface forces.

These considerations have led Naval Staff to issue a directive to Group West stressing the necessity of an early repetition of operation "Nordmark".

The ALTMARK Incident:

See report from the German Embassy on the events from 15 to 17 Feb. in the files "ALTMARK Incident".

The ALTMARK has now reported that 303 prisoners were freed. The German crew had no pistols on deck and did not fire a shot. The British were very nervous and fired at random. A British officer was wounded by a ricochet. The British held the German crew on deck, ransacked the cabins and plundered the valuables belonging to the defenseless men standing with their hands up.

10th Air Corps reported having carried out armed reconnaissance this afternoon. Bad weather greatly hindered reconnaissance and attacks against the east coast of Britain. One minelayer was destroyed, some merchantmen were damaged by bomb hits.

Baltic Sea:

A channel was broken from the northern part of the Sound to Copenhagen; a convoy on a southerly course was detected there, preceded by three Danish icebreakers. The Swedish Naval Attache has expressed the Swedish Navy's thanks for the excellent reception given to the icebreaker YMER in Swinemuende.

Submarine Situation.Atlantic:

Situation unchanged in the operational area. Submarine U "25" returned from operations, reported the sinking of six steamers totaling 27,795 tons. Submarine U "29" has been ordered to proceed southwards from the North Channel.

The destroyer WOLVERINE reported at noon on 19 Feb. that she was being attacked by a submarine south of Ireland. A submarine chase by British destroyers took place on the same afternoon west of Ouessant. At noon on 20 Feb. a German submarine was reported south or southwest of Ireland.

North Sea: Situation unchanged.

To date only one report about enemy destroyers has been sent by the submarines in the Orkneys - Shetlands area. The destroyers were north of the Orkneys on a south-easterly course. The submarines were ordered to be prepared for the sailing of a convoy from Kirkwall.

Items of Political Importance

1. For Mr. Chamberlain's speech about the ALTMARK affair made on 20 Feb. in the House of Commons see Foreign Press Report (Naval News) No. 45. He described the COSSACK's attack as a "superbly executed operation" and passed severe strictures on Norway, whose indifference he attributed to German pressure.
2. In reply to Mr. Chamberlain's speech in the House of Commons, Norwegian Foreign Minister Coht has declared that his Government did not yield to any pressure from any quarter. By virtue of her character as a government ship the ALTMARK had to be regarded as a warship and as such was entitled to refuse to be searched.
3. Foreign Minister Guenther declared in the Swedish Parliament that both belligerents were using methods which could be no more acknowledged by Sweden than by the other neutrals.
4. Latest reports speak of satisfactory progress in the Russo-Japanese discussions about the line of demarcation along the Manchurian frontier and also in their economic negotiations. It is evident that both sides wish to reach a speedy conclusion.

Special Reports on the EnemyAtlantic:Great Britain:

The cruiser BIRMINGHAM, formerly in East Asia, is now in the Western Mediterranean after brief repairs in Malta. The expected sailing of the German steamer LAHN has led Reuter to conclude that there must be another battleship in the South Atlantic and the LAHN is to act as her supply ship.

France:

All the available French forces in the area together with two British destroyers, one of them the HOSTILE, have been sent out against the submarine reported 60 miles west of Monte Louro.

21 Feb. 1940

CONFIDENTIAL

German submarines have also been reported 150 miles southwest of Ireland and 170 miles northwest of Cape Villano.

Northern Waters:

Reports of the appearance of British forces in Northern Waters are becoming more frequent. One of these states that a British cruiser squadron has been sighted in the vicinity of Petsamo. Numerous British warships are reported to be operating along the north coast of Norway. There is a report that an aircraft carrier has been sighted.

Complete and definite confirmation of these reports, which have been received several times lately, is not possible as yet. In Naval Staff's opinion, however, there is no doubt of the fact that British forces have appeared in north Norwegian and in Northern Waters. Various reasons might account for the dispatch of these forces. For Naval Staff the possibilities are as follows:

1. Various reports of an alleged German base in the Murmansk area (North Base) have produced disquiet in Great Britain. The forces operating along the Norwegian coast have orders to find out the actual situation and take action against German merchant raiders or supply vessels wishing to enter the base.
2. The forces in Northern Waters are directing their operations against the German pocket battleships and auxiliary cruisers which, according to British Admiralty calculations, should be putting out into the Atlantic in the near future. The British forces are at the same time patrolling the northern sea area in search of the German merchantmen which, judging by their sailing reports, should be arriving soon from overseas.
3. For a long time the British Admiralty and Ministry of Economic Warfare have been convinced of the necessity of stopping German ore imports from Norway. Following the ALTMARK episode further British violations of neutrality aimed at stopping the ore traffic are within the bounds of possibility. Even if such a thing seems hardly likely at present, we still have to reckon with the possibility that one day Great Britain will no longer respect Norwegian territorial waters at all and take action against German ore shipments. With this thought in mind one might possibly consider the movements of British forces as preparatory measures.

21 Feb. 1940

CONFIDENTIAL

4. The appearance of British forces can possibly also be considered as a strong demonstration against Russia intended to relieve the Finns. This is the Russian view. The ultimate aim could be to bring over important transports to help Finland, in which case an aircraft carrier might possibly be used to transport fighter planes, which could then take off directly into Finnish territory.

Which of the above possibilities comes nearest to the actual facts is not yet clear. In Naval Staff's opinion the chances are that the British forces are patrolling the northern sea area against German merchantmen and raiders putting to sea and at the same time carrying out reconnaissance for operations against North Base and for bringing over important transports to Finland.

A British military occupation of Norway aimed at the capture of the Norwegian ore port of Narvik or even the northern Swedish ore region, or a landing in Petsamo to give Finland active help, are at the moment considered highly unlikely by Naval Staff.

North Sea:

Early in the day Commander, 2nd Cruiser Squadron, apparently with several cruisers, was in the waters between the Shetlands and Norway in order to protect the convoy (O.N. 14). Thirty-six ships have already reported for the next convoy to Norway (O.N. 15). Yesterday at 0105 the British submarine "L 23" reported the returning formation of the Commanding Admiral in about 57° N, 5° 30' E as "one cruiser and two destroyers". This report from the submarine is the sole news that the enemy sighted our battleship sortie.

The GLASGOW, SOUTHAMPTON and a number of destroyers are in port in the Scapa area.

Minesweeping has been detected at Smiths Knoll. In the forenoon a convoy led by the gunboat FLEETWOOD anchored between the Humber lightship and an unidentified position.

The ships lying in Bergen (approximately 60) started to put out in the evening and may be expected to leave territorial waters near Floroe early on 22 Feb.

Shipping Losses:

Nothing to report.

21 Feb. 1940

CONFIDENTIAL

Own Situation.

Nothing to report.

North Sea:

The operation against merchant shipping in the Skagerrak which was carried out by the Commander, 2nd Destroyer Flotilla as a complement to the battleship sortie resulted in the capture of two steamers. Due to the prevailing northeast winds, the ice situation permitted sailing through the inner leads, so that after the first surprise the successes against merchant shipping were small. The ice situation forced the torpedoboats taking part in the operation to turn back off Skagen.

The German steamer WIEGAND has arrived near the ALTMARK and is to stay there as long as the Captain and the Attache think they need her. The attempts to get the ALTMARK off have been postponed till tomorrow. A Norwegian officer has arrived on the ALTMARK to discuss further salvage measures.

Several enemy flights over the East Frisian Islands and the coastal area were observed during the night of 20 Feb. Night fighters and anti-aircraft guns attacked without success.

Baltic Sea:

Nothing to report. Ice situation unchanged.

Submarine Situation.

Atlantic:

From St. Jean de Luz comes the suspicion that a German submarine was responsible for the sinking of the Spanish steamer BANDERAS. Submarine U "50" reported sinking a tanker from a convoy 150 miles west of Vigo. Results of the trip so far: six steamers totaling 36,000 tons.

21 Feb. 1940

CONFIDENTIAL

In the Atlantic operational area:

Submarines U "41", U "37", U "26", U "53", U "50", U "54".

On passage:

Submarine U "29" west of Ireland.

Submarine U "28" northern part of the North Sea.

On return passage:

Submarine U "49" central North Sea.

In the North Sea operational area:

Submarines U "18", U "19", U "22", U "23", U "57",
U "13", U "60", U "61", U "62", U "63".

Submarine U "57" torpedoed a large steamer, which, however, did not sink but drifted abandoned. Commanding Admiral, Submarines ordered submarine U "23" to give her the finishing shot.

Submarine U "10", returned from operational area Maas lightship - North Hinder lightship, reported sinking two steamers of 1,800 and 4,500 tons; one miss and one premature.

(For a brief report see War Diary, IV.)

War against Merchant Shipping.

According to a British radio communique the Danish Minister of Commerce will permit only such Danish vessels as sail in the company of other neutral ships to cross the North Sea south of 61° N.

The Turkish Government is planning a ban on any further chartering of Turkish steamers by the Allies owing to the intolerable decrease in shipping space. Out of 15 usable oldish steamers eight have so far been chartered. (German News Agency.)

21 Feb. 1940

CONFIDENTIAL

Merchant Shipping.

The German steamer WAHEHE (4,709 BRT) of the Woermann Line, which sailed from Vigo on 10 Feb., was captured by the British at 62° 45' N, 14° 13' W, and did not scuttle herself. The German fishing vessel HERRLICHKEIT (268 BRT) has probably been captured by British naval forces north of Haugesund in Norwegian territorial waters or in the Barents Sea and taken to a British port.

The motor tankers W.A. RIEDEMANN and FRIEDRICH BRENN sailed for home from Murmansk on the evening of 19 Feb.

A discussion took place on 19 Feb. between the Chief of Staff, Naval Staff, the Chief of the Air Force General Staff and Brigadier General Coeler (Commander, Naval Air, West) on the subject of aerial mining operations.

Commander in Chief, Air Force does not wish to start using aerial mines until large-scale operations are possible, i.e. after 1 May at the earliest.

Commander in Chief, Air Force considers earlier use of aerial mines undesirable as this would rob large-scale operations of the surprise element and hence of their expected success.

Naval Staff considers that it is necessary to use aerial mines off the east coast as soon as possible and does not see any objections to the proposal.

For details see notes in War Diary, Part C, Vol. V, Pages 38-43.

Items of Political Importance.

1. Reports from British military circles mention the possibility that Chamberlain may be replaced by Churchill as Prime Minister in the spring and Eden may take over at the Admiralty. Such a change in the Cabinet would indicate more vigorous prosecution of the war by the British.
2. For the situation in Ireland see Political Review No. 45.
3. The sinking of the steamer AMANISTAN, carrying rails for Iran, has aroused great animosity and indignation in that country, especially since Iran has lately been at pains to maintain the strictest neutrality and to resist British attempts to bring her into the war.
4. The Norwegian press is full of articles on shipping in Norwegian territorial waters. There are hints about a possible boycott by the pilots. A ban on ore transports, as suggested in many articles, would be impossible, but no foreign power could object if Norwegian pilots or stevedores were no longer available.

Naval Staff considers such an action by the pilots, which would be very much against their own interests, as most improbable.
5. Much dissatisfaction is felt in Spain over the sinking of the steamer BANDERAS. Naval Staff is holding a thorough investigation.

Special Reports on the Enemy.Atlantic.Great Britain:

The aircraft carrier HERMES is at present remaining in Dakar for training flights and probably for repairs to the planes. The Naval Attaché in Washington has reported that the cruiser

22 Feb. 1940

CONFIDENTIAL

DESPATCH passed through the Panama Canal towards the Atlantic on 20 Feb.

France:

No special enemy measures were detected by radio monitoring apart from the movements of patrol forces, air reconnaissance and convoys.

Neutrals:

According to a report from the Naval Attaché in Washington, the U.S. press is concerning itself with the proposed sailing of our steamers from South American ports and with their prospects of reaching Germany. Naval circles consider their chances slight and conclude that Germany intends to use the capture of the ships in the neutral zone as an occasion to provoke diplomatic incidents.

North Sea:

The cruiser SOUTHAMPTON will probably leave Scapa on 23 Feb. to proceed to the northern coast of Norway. According to Reuter and Havas press reports, the British warships in the North Cape area have orders to check and cut off the German-Russian trade via Murmansk. The Soviet Government takes a very serious view of the situation which has arisen from the dispatch of British warships to Northern Waters. Russia, however, will take no action so long as they remain outside of Russian territorial waters. Otherwise Russian forces will attack.

According to a report from Bergen, the steamers assembled there left on 21 Feb. and as expected left the Norwegian coast on the morning of 22 Feb. to make for Great Britain.

Ten British submarines are at present operating in the North Sea area; two are in the Heligoland Bight, the others off the Skagerrak and along the south coast of Norway.

Shipping Losses.

The Finnish steamer BRITA (2,600 tons) reported two explosions near the ship south of Ireland. A British radio station then

22 Feb. 1940

CONFIDENTIAL

transmitted a submarine warning for this position.

The British steamer CAPE ST. ANDREW (5,000 tons) reported an attack by a submarine northwest of Kinnaird Head.

For disposition and activities of enemy forces during the past weeks see Radio Monitoring Report No. 7/40. (Contains also radio monitoring reports about the ALTMARK incident.)

Own Situation.

Atlantic:

Nothing to report.

North Sea:

Air reconnaissance over the Dogger Bank sighted numerous neutral ships and some unidentified fishing vessels. Air combats with British planes were unsuccessful.

Our own fighters drove off enemy reconnaissance planes flying in formations of three. One Wellington was shot down north of Norderney.

Group West reported plans for the next battleship operation as follows:

- Plan 1. Since the battleships will not be ready for action again till 25 Feb., interpose operation "Wikingen" with a destroyer flotilla.
2. At a date after 25 Feb., to be fixed in accordance with radio monitoring reports, the battleships, ADMIRAL HIPPER and six to eight destroyers to carry out a combined sortie into the area North Scotland - Southwest Norway during the early morning.
 - a. Battleships to thrust on from there as the situation permits, with no limitations as to time and area.

Assignment: To inflict all possible damage on the enemy, concentrating on convoys and heavy cruisers. Attack on enemy patrols near the Shetlands, Orkneys and Fair Isle Passage permitted. ADMIRAL HIPPER to take part as Commanding Admiral, Naval Forces, West sees fit.

- b. Other forces to operate against merchant shipping for one day on the sea route Scotland - Southwest Norway, then to return and be ready to pick up the battleships.
 - c. Four destroyers are to be held in reserve to pick up the battleships in case the forces under b. cannot sail again in time.
3. No special submarine dispositions will be made.
 4. The order for the operation will be given with the keyword "Schleswig".

Group West's directive was in complete accord with the plans and views of Naval Staff, and met with Chief, Naval Staff's entire approval.

The 1st Destroyer Flotilla (six destroyers) put to sea for operation "Wikingen".

Assignment: To make a surprise attack on the enemy trawlers suspected to be on the Dogger Bank, if possible to capture them; to seize suspicious neutral vessels. Outward passage after dark via route 1.

At 2018, signal from Commander, 1st Destroyer Flotilla: "The LEBERECHT MAASS sank in grid square 6954, lower left quadrant." (This spot lies on route 1 more than ten miles from our own nearest minefields in the declared area.)

At 2050, further signal from Commander, 1st Destroyer Flotilla: "The MAX SCHULTZ also missing. Probably submarine."

22 Feb. 1940

CONFIDENTIAL

Group West left it to the Commander's discretion to break off the operation and at 2215 informed the flotilla that patrol boat "803" had been sent to search for survivors.

Commander, 1st Destroyer Flotilla called off the operation and put in to Wilhelmshaven in the early hours of 23 Feb.

Close investigation should reveal the full facts about the loss of the two destroyers. Pending the result of an examination of route 1 for enemy mines, it is at present assumed that both destroyers were torpedoed by an enemy submarine.

Subject: The ALTMARK.

According to information from the Attache in Oslo the ALTMARK has got off, thanks to the captain's excellent work, and is at present anchored in Joessing Fiord. Her maneuverability is to be tried out in the fiord. Her passage will probably be delayed a few more days as it is too difficult for a ship having poor maneuverability in the present ice conditions.

The following instructions have been sent via the Foreign Office to the Naval Attache in Oslo in answer to his queries:

1. Possibility of protection by German forces during the passage is still under review.
2. Agree to passage to Oslo if the Norwegian Navy accepts full responsibility. Transfer not to take place until weather and ice permit uninterrupted passage through territorial waters. Report time of sailing and probable duration of the passage in good time.

If British forces again attack in such strength that there is imminent danger of the ship's falling into enemy hands, she is to be scuttled.

The Foreign Office has further been requested to ask the Norwegian Government to give the forces protecting the transfer definite orders for the use of armament.

While the moon is reasonably favorable, 10th Air Corps has been carrying out night attacks on merchant shipping between the Thames and the Firth of Forth. No successes observed in various attacks.

The 26th Bomber Wing reported attacks on the British coast and also the following incident:

About 2000 spotted armed, darkened steamer of 3,000 to 4,000 tons, course 300°, near Terschelling Bank. Several attacks were made from 1,300 meters. One hit was scored on the forecastle, two hits amidships, ship caught fire and sank. No further observations due to darkness. Light anti-aircraft and machine gunfire from the ship.

(Marginal note: Is this the sinking of the LEBERECHT MAASS and MAX SCHULTZ?)

The attack on a steamer near Terschelling Bank is most regrettable and contravenes the regulations issued to the Air Force for the conduct of war on merchant shipping. Air attacks at sea are permitted only in a strip 30 miles wide along the British coast. Closer investigation has been ordered.

About 0032 a He 111 approaching the island of Borkum from the west was taken as British and shot down by our naval anti-aircraft guns. Investigation is in progress. (For Station North's report see War Diary, Part B, Vol. V, Page 107.)

Baltic Sea:

Ice situation in the central and western Baltic Sea unchanged.

The Attache in Copenhagen has informed us that the Danish Navy is prepared to put an effective bar against submarines coming into Danish territorial waters at the southern entrance to the Sound. This will be done after the ice has ceased to drift. If possible the Danes will follow the German proposal and use nets.

On 22 Feb. the EMDEN sailed from Neufahrwasser to wage war on merchant shipping in the sea area east of Gotland.

22 Feb. 1940

CONFIDENTIAL

The ship got stuck in the ice only 40 miles north of Neufahrwasser and had to break off her sortie and return.

Submarine Situation.

Atlantic:

Situation unchanged.

Submarine U "41" (Lt. (s.g.) Muegler) has still not arrived at the supply rendezvous and no answer has been received in reply to our queries. She must be presumed lost.

Spanish press reports from London maintain that a German submarine was sunk some days ago off the Portuguese coast. Some of the crew were said to be on a French steamer.

Submarine U "50" has begun return trip.

North Sea:

Seven submarines were still in the operational area. Submarines U "57", U "18" and U "23" have begun return trip. The operational areas of the other submarines have been extended accordingly.

Merchant Shipping.

The steamer WANGONI (7,848 tons) from Vigo has arrived in Norway.

Owing to reports of British forces off the Norwegian coast, on the evening of 22 Feb. the two tankers coming from Murmansk were instructed by radio to proceed to Tromsø or Narvik and await further orders there.

Items of Political Importance.

1. Russo-Finnish conflict: Further Russian successes on the Karelian Isthmus. Finland's military leaders consider that foreign help so far has been inadequate.

Well-informed German circles in Helsinki report the arrival to date of the following foreign contingents for Finland:

8,000 Swedes
500 Norwegians
500 Danes
300 Canadians.

A further 600 Canadians and 5,000 Hungarians are expected. Press reports also state that 5,000 Italians are still to come.

The Finns have declined the offer of Polish soldiers and airmen from France.

2. For Balkan situation see Political Review No. 26.
3. The Danish National Socialist Party demands that the Scandinavian countries leave the League of Nations.
4. More reports of British troop movements in the Near East. The Eastern Army (Weygand) is said to be preparing for an attack on the Baku area. (Possibly these reports are meant to serve propaganda purposes.)

A report from the Legation in Oslo states that since the dying down of the ALTMARK affair the Russo-Finnish conflict is again the main item of interest in Norwegian industrial and shipping circles. Generally there is great anxiety about a Finnish defeat, since on the one hand they fear Russian pressure and on the other they regard action by the Western Powers to aid Finland as extremely dangerous for the Scandinavian countries. Such help would mean that they would be forced to bow to the will of the Western Powers. The general opinion is that Great Britain intends to suppress German imports from Scandinavia altogether. Pressure on Narvik and Trondheim is expected.

For interview between the U.S. radio reporter Jordan and Commander in Chief, Navy see War Diary, Part B, Vol. V, Page 106.

23 Feb. 1940

CONFIDENTIAL

Conference between Commander in Chief, Navy and the Fuehrer at 1030.

See Commander in Chief, Navy's minutes in War Diary, Part C, Vol. VII.

Points raised at discussion.

1. Situation in the Baltic Sea: Examined the question of the line fixing the limit for German attacks on merchant shipping at 20° E.
2. Situation in the North Sea: Battleship operations, mining of the east coast.
3. Submarine war: Successes, losses, intensification. The Fuehrer consented to full offensive action against darkened passenger steamers setting only navigation lights.

The Fuehrer agreed to return two British commanders taken prisoner in exchange for two submarine commanders.

4. Aerial minelaying: Chief, Naval Staff presented Naval Staff's viewpoint and informed the Fuehrer of the Navy's plans.
5. The Fuehrer refused to allow submarines to take part in operation "Halifax".
6. The Fuehrer will not permit submarine warfare in the Mediterranean until he has the Duce's consent.
7. Operation "Weseruebung".
8. The Fuehrer was in complete agreement with the purchase of the Estonian submarines.
9. The Russian treaty.

23 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy.

Atlantic:

Great Britain:

The cruiser BIRMINGHAM is proceeding from Gibraltar to Great Britain. The cruiser NEPTUNE left Freetown on 22 Feb. to carry out a reconnaissance sweep as far as 40° W for the purpose of operations against German steamers..

France:

No news of importance. German submarines reported west of Vigo and in the Bay of Biscay.

North Sea:

Disposition of British cruisers:

Our latest information of the 1st Cruiser Squadron is that the NORFOLK and YORK are at sea with the Northern Patrol, the BERWICK and DEVONSHIRE in the Clyde or Rosyth. The cruisers at sea are scheduled for relief about the end of February and on 7 March. Of the 2nd Cruiser Squadron the SOUTHAMPTON is with the Northern Patrol, the EDINBURGH is in the Orkneys area, the GLASGOW in Scapa and the BELFAST in Rosyth.

The cruisers MANCHESTER and SHEFFIELD appear to be in dock, the NEWCASTLE, ARETHUSA, AURORA, PENELOPE and CAIRO are in the area between Rosyth and Scapa.

According to reports from Sweden, the enemy forces in north Norwegian waters are operating against the German submarines allegedly based on Russian Arctic ports and in Norwegian territorial waters.

Own Situation.

Atlantic:

Nothing to report.

23 Feb. 1940

CONFIDENTIAL

North Sea:

Destroyer losses during operation "Wikingen": First brief report received from Group West. Commander, 1st Destroyer Flotilla reported:

"About 1915 on 22 Feb. in the course of operation "Wikingen" the rear ships fired on a shadowing plane - grid square 6954 lower left quadrant. We turned about on hearing explosions. MAASS requested help. A fresh explosion split her amidships and she sank. Soon afterwards another explosion and submarine report from the KOELLNER. The SCHULTZ missing from then on. Proceeded out of danger zone, operation broken off. Sixty men saved from the MAASS, one man missing from the KOELLNER."

The Navy and Air Force have begun exhaustive investigations covering the following main points:

1. Clarification of the events of the operation and loss of the destroyers.
2. Absolute certainty as to the cause of the loss, especially regarding the question of whether our own planes could have sunk the ships.
3. Complete clarification of the question of whether Group West and 10th Air Corps exchanged information on the operations scheduled for the night of 22 Feb. in good time.

Group West was informed by telephone of the Commander in Chief's orders that the matter must be thoroughly investigated, especially as regards the exchange of information between the Group and Air Corps, so that in future any possibility of danger from our own forces is excluded.

Following Chief, Naval Staff's discussion with the Fuehrer it is assumed that the Navy has his permission to begin aerial minelaying along the east coast of Great Britain. Orders have therefore been sent to the Group and Commander, Naval Air as follows:

23 Feb. 1940

CONFIDENTIAL

Group West is instructed to resume aerial minelaying against the British east coast by the formations of Commander, Naval Air as it sees fit.

Baltic Sea:

The EMDEN's port propeller has been damaged by ice and her bow is slightly dented and leaking.

The Naval Attache in Copenhagen has informed us of Denmark's desire to modernize her obsolete naval equipment. She intends to build the following vessels: 2 minelayers, 4 torpedoboats, 1 submarine, 1 inspection vessel, 1 seamark inspection vessel. Denmark is asking Germany to deliver the necessary quantities of steel. Vice-Admiral Rechnitzer states that the reason why he makes such a request is that the Navy now has to carry out numerous essential tasks in connection with the patrol service. He asks the German Naval Staff to support Danish wishes.

Submarine Situation.

Submarine Losses:

Churchill has announced the sinking of two to four German submarines monthly as the result of British anti-submarine measures.

On 20 Feb. the B.B.C. broadcast an Admiralty communique:

The British Navy is intensifying anti-submarine operations. During the past six days four submarines were definitely sunk by the British Fleet and two more probably sunk by the Navy or Royal Air Force. (Submarines U "41", U "33", U "53", U "54" and U "29"?)

Atlantic:

In the operational area:

Submarines U "37", U "26", U "53", U "54" (U "41"?)

23 Feb. 1940

CONFIDENTIAL

On return passage:

Submarines U "48", U "50".

On passage:

Submarine U "29" south of Ireland, submarine U "28" west of the Hebrides.

North Sea:

In the operational area:

Seven submarines (U "19", U "22", U "13", U "60", U "61", U "62" and U "63").

On return passage:

Submarines U "23", U "52", U "18".

Submarine War against Merchant Shipping.

In view of the fact that the present shortage of cargo space is leading to the increasing use of passenger steamers as freighters and troopships, the following supplementary order has been issued for the conduct of the war on merchant shipping:

In the area sanctioned for submarine action against darkened ships, passenger ships which show no neutral markings and at night carry no lights other than navigation lights are to be treated as enemy armed passenger ships. Submarines are permitted full offensive action at once against such ships.

The Union of Seamen in Gothenburg has adopted a resolution protesting against brutal naval warfare. They request the Government to provide warship escort for merchantmen going to belligerent countries and to prevent them from putting in to control ports which are exposed to all the perils of war.

23 Feb. 1940

CONFIDENTIAL

Merchant Shipping.

Own Shipping:

During the period from 1 Jan. to 15 Feb. the following arrived from Norway (Ministry of Economics report):

53 ships with approximately 360,000 tons of iron ore
26 ships with miscellaneous cargoes (herrings, train
oil etc.)

The following coded radio message was broadcast to shipping:

"Steer towards Norwegian coast before dawn. Beware of British forces outside the fiords. Signed: Naval Staff."

According to a Reuter report, the German steamer ANTONIO DELFINO is ready to sail from Bahia.

Foreign Shipping:

Denmark:

A Danish Ministry of Commerce regulation states that ships must sail in company when in the North Sea outside the territorial waters of neutral states and also when off the British east coast, unless weather conditions or other compelling circumstances make this procedure impossible. Infringement of the regulation will involve fine or imprisonment. The regulation is satisfied if a fishing vessel accompanies the ship.

The regulation does not apply to ships on long voyages and ships which sail through the North Sea north of 61° N latitude, i.e. north of the Shetlands.

Chief of Staff, Naval Staff (Vice-Admiral Schniewind) in Wilhelmshaven on 23 Feb. for conference with Commanding Admiral, Naval Forces, West (Admiral Marschall) who is at present ill, and the deputy Commanding Admiral, Group (Admiral Carls).

For minutes of conference see War Diary, Part III, Vol. V, Page 105.

Items of Political Importance.

1. A speech by Swedish Foreign Minister Guenther on German naval warfare contained some sharp complaints about the disregard of the legitimate interests of neutral shipping. Sweden cannot recognize the methods of naval warfare which both belligerents are using at present.

(For particulars see Foreign Press Report No. 48.)

2. The conference of Foreign Ministers of the Scandinavian countries began today in Copenhagen.

Agenda: 1. The war in Finland.
2. Naval warfare and its results.
3. Examination of the economic situation and trade dealings with belligerents.

3. Uproar in the U.S. Congress about the British seizure of mail in the Bermudas. Severe criticism of British action.
4. Alarmist reports from Turkey about imminent complications in the Near East. Reports of hostilities in the Caucasus, troop movements in Thrace, Russian measures against Iran, transportation of British troops from Egypt to Palestine, mobilization in Turkey.

So far there is no confirmation from German agencies in Turkey. Their impression is that Britain is spreading rumors to cause general disquiet and at the same time increasing her political pressure on Turkey and Iran.

5. Chamberlain's speech in Birmingham on 24 Feb., dealt amongst other things, with the situation of the neutrals whose interests Germany is ruthlessly damaging, with France's and the Empire's war effort and with war aims. He demanded the reestablishment of Poland and the Czech state, guarantees of a stable German policy - which could not be given by the present government of the Reich - and progressive disarmament. The first move must come from Germany. (See Foreign Press Report for 25 Feb.)
6. Evening of 24 Feb. The Fuehrer made an incisive speech, full of confidence in victory, in Munich on the occasion of the anniversary of the proclamation of the National Socialist party program.

Conference on the Situation with the Chief, Naval Staff.Special Items.

1. Summary of the reports so far received about the loss of the destroyers LEBERECHT MAASS and MAX SCHULTZ. Chief, Naval Staff lays the greatest possible value on absolute certainty as to the cause of the loss, even if culpable negligence should be discovered on the part of some office. Naval Staff thinks that a mixed Navy and Air Force commission should hold an exhaustive inquiry and will propose this to Commander in Chief, Air Force.

(For reports see File "Loss of destroyers on 22 Feb.")

According to radio monitoring it is obvious that the enemy has no knowledge of the loss of the two destroyers. For the present therefore the matter is to be kept secret and any publication is banned.

The absence of an enemy announcement about a sinking makes it seem more likely that the loss was caused not by enemy submarines or planes but by mines or, as the result of a deeply regrettable catastrophe, by our own planes.

2. Group West has postponed operation "Schleswig" for the present as there is not a sufficient number of destroyers available.
3. Group West reported by teletype that experience gained in previous operations indicates that Ship "4" is useless for her intended purpose as a special vessel. Any attempt to use the ship in her present condition would be unsuccessful as she is too slow. Group West therefore proposed that Ship "4" should be put out of commission. This report once more confirms the repeatedly established fact that the seizure and preparation of the majority of the special vessels has been a complete failure.
4. Report by Head of General Naval Administration Bureau on plans for the formation of a shipping office in the Ministry of Transportation directed by a state secretary. Although basically under the Minister of Transportation, he would be directly subordinate to the Commander in Chief, Navy in all matters affecting the Navy.

24 Feb. 1940

CONFIDENTIAL

5. As a result of yesterday's conference with the Fuehrer, following directive issued to the Naval Attache in Rome:
 1. Inform Admiral Cavagnari personally on behalf of Commander in Chief, Navy that Germany intends to dispatch submarines to the Mediterranean in the near future. Commander in Chief, Navy assumes that Cavagnari will pass the news on to the Duce.
 2. For your own information: Boats will in fact be sent only if the Duce raises no objection. At present no plans for the ANKARA to carry out supply operations. Continue preparations.

The Embassy at Rome will receive instructions from the Foreign Office.

The Foreign Office will be informed to this effect. Their suggestion that we tell the Italians about the rough extent of the operations is not considered practicable at the present moment. The Italian reaction is to be awaited first of all.

Special Reports on the Enemy.

Atlantic:

Great Britain:

Disposition of forces: The cruiser BIRMINGHAM, coming from the Mediterranean, has put in to Portsmouth. The cruiser BERWICK is proceeding from the Clyde to the northern area. The netlayer PROTECTOR is near the Canary Islands on passage to Great Britain. The cruiser SHROPSHIRE has been in Simonstown since 19 Feb.

General: An agent has learnt from an employee of the British Shipping Control Office in Rotterdam that so far there are no minefields either in the northern or southern entrance to the Irish Sea.

24 Feb. 1940

CONFIDENTIAL

France:

Radio monitoring picked up convoy movements and submarine and air patrol activity. A German submarine reported west of the Bay of Biscay.

North Sea:

British planes were off the Norwegian coast on reconnaissance for the ALTMARK.

According to a report from the captain of a steamer, Norwegian fishermen saw an aircraft carrier near North Cape on 7 Feb. The steamer captain says he saw an unidentified submarine in Westfiord on 11 Feb.

Planes were said to have been heard at a great height over Kirkenes on 12 Feb.

Shipping Losses:

The Danish steamer AASE (1,206 tons) sank in the Atlantic.

The British steamer ROYAL ARCHER (2,260 tons) and the British trawler BENVOLIO sank after striking mines off the Scottish coast.

Own Situation.

Atlantic:

The British Ambassador in Buenos Aires attempted to bring pressure to bear on the Argentine Government regarding the nature of the internment of the crew of the GRAF SPEE. The Argentine Minister of the Interior rejected the petition, pointing out that the internment was an administrative matter concerning the Argentine Government alone.

North Sea:

For reports from Group West and combat report from the Commander, 1st Destroyer Flotilla on the loss of the destroyers on 22 Feb., see File Part B, Page 119.

Nothing to report from air reconnaissance over the North Sea.

24 Feb. 1940

CONFIDENTIAL

Exploratory sweep on route 1 by two submarines attached to the 1st Minesweeper Flotilla produced no evidence of mines.

During an enemy raid a British plane was shot down by fighters ten miles northwest of Ameland.

Baltic Sea:

Nothing special to report. No air reconnaissance due to weather.

Submarine Situation.

Atlantic:

Submarine U "48" (Lt. (s.g.) Schultze, Herbert) returned from her long range operation. She carried out her minelaying assignment off Weymouth as planned and also sank 34,130 tons. An excellent achievement. (For brief report see Part B, Vol. IV.) In operations to date she has sunk roughly 115,000 BRT and is thus our most successful submarine.

Submarine U "26" northwest of Ireland, on return passage.

Submarine U "37" north of the Shetlands, on return passage.

Submarine U "50" on return passage.

The following must therefore still be in the operational area: Submarines U "53", U "54" and U "41".

The greatest anxiety is felt as to the fate of all three. Submarine U "41" (Lt. (s.g.) Muegler) has already been given up for several days. There have been no reports or news of the activities of submarines U "53" (Lt.Cdr. Grosse) and U "54" (Lt. (s.g.) Kutschmann) for such a long time now that it is feared that the various British reports of sinkings are in accordance with the facts.

24 Feb. 1940

CONFIDENTIAL

North Sea:

In the operational area:

Submarines U "13", U "60", U "62", U "63".

On return passage:

Submarines U "22", U "18", U "19", U "61", U "23", U "57".

Items of Interest from the War on Merchant Shipping.

According to a report from the Consulate in Bilbao, at the meeting of the board of directors of the shipping firm Compania Maritime de Nervion on 22 Feb. it was found that on the day the steamer BANDERAS was sunk she was sailing without lights owing to damage to the lighting installation.

The Spanish Naval Attache has been informed that the destruction of the BANDERAS will be thoroughly investigated. After the definite orders issued there can be no question of her having been deliberately torpedoed by a German submarine. Possibly this is a case of sabotage by Germany's enemies.

Merchant Shipping.

Group West stated that it was holding the steamer WANGONI in Haugesund pending more favorable ice conditions in the Skagerrak. She can then cross the open sea as close to the line Paternoster - Skagen as possible.

It was pointed out to Group West that the uncertain development of the situation makes it undesirable for steamers to remain long in Norway; similarly a large assembly of ships in Haugesund is to be avoided. Group West must bear these facts in mind when directing the ships' recall from Haugesund.

It is reported from Oslo that repairs to the ALTMARK are not to be carried out there, but in Sande Fiord which lies to the west and has better facilities.

24 Feb. 1940

CONFIDENTIAL

The Naval Attache in Oslo has inquired whether it would be feasible for the ALTMARK to return to Germany as soon as possible without undergoing repairs in Norway. The German Embassy considers such a step desirable for political reasons in view of the uncertainty regarding the further development of the political situation and the attitude of Norway.

The following queries have been sent to the ALTMARK via the Naval Attache:

1. In what state of readiness is the ALTMARK? Can she proceed without tugs, and if so, at what speed?
2. What armament is there on board?
How much ammunition?

Items of Political Importance

1. Russo-Finnish Conflict: The Soviet advance on the Karelian Isthmus continues amid heavy fighting. According to reports from Great Britain, the seriousness of Finland's situation is making the Western Powers more willing to send her auxiliary troops.
2. Agent reports speak of imminent military action by British forces along the north coast of Norway.
3. The Folkething rejected the Danish National Socialist motion proposing that Denmark should leave the League of Nations, declare absolute neutrality and approach Germany to mediate in the Finnish conflict.
4. Under Secretary of State Sumner Welles is in Rome for talks with Ciano and Mussolini.
5. The rumors of general mobilization and movement of troops in Turkey are denied. The German Embassy has declared all such reports to be inventions.
6. For reaction to the Fuehrer's speech on 24 Feb. see Foreign Press Report.

Conference on the Situation with the Chief, Naval StaffSpecial Items

Thorough discussion of the results to date of the investigation into the loss of the LEBERECHT MAASS and MAX SCHULTZ (for copy of report see file). Both Naval Staff and Group West consider it essential to appoint a mixed commission to reach some final conclusion on the events of the evening of 22 Feb. The Navy will have to nominate disinterested representatives of Commander, Destroyers and Commanding Admiral, Scouting Force. A relevant proposal is being sent to Commander in Chief, Air Force, Operations Staff. Brigadier General Coeler, Commander, Naval Air, West, who was not concerned at all in the above events, is proposed as chairman of the commission.

25 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy

Atlantic:

Great Britain:

Nothing special to report apart from the detection of convoys.

France:

Striking absence of radio traffic. Nothing of special interest detected.

North Sea:

In the evening Commander, 3rd Destroyer Flotilla at sea with several destroyers east of Noss Head. Radio monitoring detected reconnaissance activity over the North Sea.

British warships were allegedly detected near Maaloe outside territorial waters.

According to an agent's report, twenty British bombers were flown to Finland on about latitude 60° N in the early part of February.

Shipping Losses:

The Greek steamer PANACHRANDOS (4,660 tons), proceeding from Antwerp to America, is overdue. The British steamer JOVINGTON COURT (4,500 tons) sank in the North Sea after striking a mine.

Own Situation

Atlantic:

Nothing to report.

North Sea:

After a thorough examination the ALTMARK was found to be unseaworthy. Both propellers are damaged, half the rudder is missing and the steering leads on the upper deck are also damaged. The Norwegian Naval Staff is endeavoring to procure tugs in Stockholm and Copenhagen as they have none of their own available at present.

25 Feb. 1940

CONFIDENTIAL

British planes were sighted on 24 Feb. off Joessing Fiord.

Air reconnaissance west of the declared area sighted five neutral steamers proceeding in company on a northerly course. British and neutral fishing smacks were detected on the Dogger Bank.

Baltic Sea:

Nothing to report.

Ice situation in the eastern Baltic improving. Still strips of drift ice in the Gulf of Danzig. Channel broken to Gdynia. Unimpeded navigation in Neufahrwasser. No movements of Navy or Air Force units.

Submarine Situation

Atlantic:

Situation unchanged.

North Sea:

Submarines U "23", U "18", U "57", U "22" returned from operation. (For brief report see Part B, Vol. IV.)

While reconnoitering near the Orkneys, submarine U "23" had a torpedo failure on a steamer (5,000 tons), sank the destroyer DARING and missed a submarine in the escort of the same convoy. She was chased by fighter formations 50 miles east of the Pentland Firth. Sank steamer (5,000 tons) 30 miles east of Shapinsay Firth, also fired finishing shot at the steamer (7,000 tons) damaged by submarine U "57".

Submarine U "18": No successes. Little traffic northeast of Kinnaird Head. Two misses. Broke off operation owing to lack of fuel.

Submarine U "57": Sank the tanker GRETA FIELD east of Noss Head, missed the destroyer BURZA east of the Pentland Firth, scored a hit on an armed steamer (7,000 tons) east of the Pentland Firth. This last was then finished off by submarine U "23".

25 Feb. 1940

CONFIDENTIAL

Submarine U "22": Fair Isle Passage. Large number of fishing vessels. One steamer (1,500 tons) sunk; three misses.

Merchant Shipping

Group West has sent the Consul at Haugesund instructions for the steamers WANGONI, SAO PAULO and the tankers W.A. RIEDIMANN and FRIEDRICH BREME. They are to sail from Haugesund singly in territorial waters, pass the line Paternoster - Skagen at night and if there is difficulty from ice cross the Skagerrak as far east as possible during darkness.

Items of Political Importance

1. End of the conference of Scandinavian Foreign Ministers in Copenhagen. They reached complete agreement on the neutral policy of the Scandinavian countries. The governments are to afford each other mutual support in any complaints, etc. that may arise about the effects of naval warfare. All the Scandinavian peoples earnestly desire a speedy and peaceful solution to the Russo-Finnish conflict.
2. For the Norwegian Government's reply to the statement made by Lord Halifax on the ALTMARK incident, see Foreign Press Report. Norway is holding on to her previous clearly defined attitude and suggests that differences of opinion should be submitted to arbitration.
3. It is becoming increasingly difficult to maintain a regular coal supply for Italy from Great Britain and to transport German coal from Rotterdam.
4. The British Minister for Overseas Trade has emphasized the urgent necessity of raising British exports by every possible means. Great Britain must be prepared to make big sacrifices, for the only way to increase overseas trade is to reduce home consumption.
5. Pan American Airways have decided to discontinue the intermediate landing in the Bermudas on the America - Europe flight as from 15 March and thus avoid the British mail check.

Naval Staff had a conference with Dr. Leitner (Foreign Office) about the effects of the sinking of Dutch steamers. The great indignation felt about the torpedoing of Dutch ships (BURGENDIJK, DEN HAAG, TARA) is having a very adverse effect on current economic negotiations with the Netherlands. The Dutch Government is not ready to make any concessions. Holland does not consider herself in a position to deliver any more foodstuffs to Germany until negotiations to ensure greater discrimination in the methods of German naval warfare are begun.

The Foreign Office view is that the cessation of food deliveries from Holland would be a big disadvantage for Germany at present. Cooperation is therefore desirable as far as military considerations permit.

26 Feb. 1940

CONFIDENTIAL

Naval Staff can see quite definite possibilities of ensuring a greater measure of safety for Dutch shipping carrying goods to Holland and thus easing the political and economic situation. The regulations issued for the intensification of submarine warfare exclude offensive action against neutral Dutch and Belgian merchant traffic putting into the Channel from the west or southwest.

The following are necessary conditions for further leniency towards Dutch ships:

1. The Dutch Government must present a statement as to the nature and destination of the cargo.
2. The Dutch must give an assurance that the cargo will not be confiscated by Great Britain if the ship is taken to a British control port.

Conference on the Situation with the Chief, Naval Staff

Special Items

1. On grounds of the reports so far received from Group West on the loss of the destroyers, Chief, Naval Staff gave orders for the following statement to be transmitted to Commanding Admiral, Group West:

"Irrespective of the results of further inquiries by the special commission, I wish to state that the 1st Destroyer Flotilla should have been informed about the mission to be undertaken by 26th Bomber Wing and 10th Air Corps should have been informed earlier about the destroyer operation. In future each arm must be adequately briefed on the other's operations and this exchange of information is to take place well beforehand. Chief, Naval Staff."

2. With great regret Naval Staff postponed the battleship sortie until 29 Feb. owing to the destroyers' state of readiness.
3. The Fuehrer's decision on the time for beginning aerial minelaying was received by telephone from Armed Forces High Command. After consideration of the opposing viewpoints of Chief, Naval Staff and Commander in Chief, Air Force the Fuehrer has decided that the Navy must wait until the Air Force is ready to use the aerial mine.

Naval Staff greatly regrets this verdict since it leaves one of the most important weapons against Great Britain unused for further vital months. The Chief, Naval Staff will therefore again point out his view to the Chief, Armed Forces High Command and request that the matter may be again brought to the Fuehrer's attention. Chief, Naval Staff reserves the right to address the Fuehrer personally on this highly important question.

4. General von Falkenhorst is to be appointed head of the planning and executive staff for operation "Weseruebung".

Chief, Naval Staff is of the opinion that General von Falkenhorst must coordinate the whole operation. Therefore to enable him to carry out his assignment successfully he must have a naval officer as his Chief of Staff for this combined operation. Group West will direct the operations by naval forces. Chief, Naval Staff has given orders that the battleships GNEISENAU and SCHARNHORST must be available in readiness for action at the time of "Weseruebung". The ships' dockyard period scheduled for after 1 May must be adjusted accordingly.

Special Reports on the Enemy

Atlantic:

Great Britain:

The cruiser BERWICK, which sailed from the Clyde on 23 Feb., was northwest of Ireland on 25 Feb.

The aircraft carrier EAGLE left Aden on 18 Feb., probably for Simonstown.

According to U.S. reports, the U.S. Navy Ordnance Department is carrying out successful experiments to counter the magnetic mine.

France:

Nothing to report.

North Sea:

Enemy reconnaissance activity was detected all day and during the night. Bombers penetrated as far as the German coast. Some of the planes were again located flying south over German territory as far as the Saar.

26 Feb. 1940

CONFIDENTIAL

A weather plane of the 2nd Air Force sighted what appeared to be 25 freighters escorted by a destroyer 60 miles east of Flamborough Head (east of the British declared area).

Three enemy submarines were in the Skagerrak (between Bovbjerg and Skudesnaes) and one in the inner Heligoland Bight.

The first squadron of the Royal Canadian Air Force is said to have arrived at a northwest coast port on 25 Feb.

The British War Office has announced that after 11 March an extensive area in North Scotland will come under the Special Defense Regulations. After this date no unauthorized person may enter the area.

The reason for this measure is not yet clear, but Naval Staff thinks that highly secret military preparations may be carried out in the prohibited area. These might include the accumulation of very large stocks of mines for a "Northern Barrage", the construction of bases in certain bays, preparatory measures (assembling of troops, training, concentration of air forces) for a landing in Norway, assembling of troop contingents and equipment for Finland.

Shipping Losses:

The British tanker ENDEAVOUR (4,580 tons) was torpedoed in the Atlantic. The British steamer LOCH MADDY (4,660 tons) was torpedoed in the North Atlantic on 22 Feb. The Danish steamer MARYLAND (4,900 tons) is overdue. The Swedish motor vessel SANTOS sank in the North Sea.

Own Situation

Atlantic:

Nothing to report.

North Sea:

Air reconnaissance in the Skagerrak by Commander, Naval Air showed an improvement in the ice situation. So far no successes in the Heligoland Bight despite lively submarine-chaser activity.

26 Feb. 1940

CONFIDENTIAL

Baltic Sea:

Nothing special to report. Still fast ice in western and central Baltic Sea. No steamer traffic, no movement of own forces.

Still a solid covering of ice in the Great Belt. Shipping traffic possible on the west side of the Kattegat. A channel from Saltholm northwards is being kept open in the Sound.

Steamer traffic in Swedish territorial waters north of the Sound. A clear channel has been broken from Gothenburg to the open sea.

Submarine Situation

Atlantic:

Submarine U "32" sailed into the Atlantic operational area to carry out a minelaying operation in Liverpool Bay.

No reports from submarines U "28" and U "29".

North Sea:

In the operational area: Submarines U "13", U "60", U "62", U "63".

Submarine Losses:

The Captain of the British steamer ASIATIC maintains that he rammed a submarine near the Shetlands on 24 Feb. It is reported that a British warship, which took the crew of the torpedoed British steamer LOCH MADDY on board, sank the submarine in question. According to the British press two submarines in the North Sea and another off the northeast coast of Scotland have been successfully bombed by planes.

Merchant Shipping

Own Shipping:

The Hapag steamer ORIZABA (4,354 tons) which sailed from Vigo

26 Feb. 1940

CONFIDENTIAL

on 10 Feb. managed to reach the Norwegian coast but ran aground 50 miles north of Tromsø on 26 Feb. and sank.

Twenty-six ships totaling 80,450 BRT are at present operating on the Norwegian run.

Foreign Shipping:

For markings on neutral merchantmen and traffic in the port of Genoa see report "Foreign Shipping" No. 3/40.

Ships captured by German Naval Forces

During the first five months of the war, i.e. up to the end of January 1940, 354 ships in all were brought into German ports on suspicion of carrying contraband, etc. 307 of these vessels had been released up to the end of January 1940, because even after thorough investigation by the examining authorities there was no proof which could have justified the German Prize Courts in confiscating the ships or their cargoes under Prize Law. All the vessels but one were under neutral flags.

Of the 47 ships retained, the German Reich has so far taken over by virtue of Prize Court verdicts or provisional decrees for appropriation -

ten ships totaling 21,004 BRT.

Cargoes:

1,187 tons of provisions (in particular butter, bacon, eggs and condensed milk), plus

2,280 tons of provisions which were not confiscated according to Prize Law procedure as they came under the German-Danish butter agreement, giving a total of

3,467 tons of provisions.

28,766 cubic meters wood, sawn timber, plywood etc.

12,177 tons cellulose etc.

678 tons paper etc.

63 tons miscellaneous goods, especially oil.

26 Feb. 1940

CONFIDENTIAL

Applications are at present being made to the Prize Court to use the following cargoes:

sawn timber	26,282 cubic meters
pit props	32,348 cubic meters
other wood	9,790 cubic meters.

Afternoon

A letter from the Fuehrer and Supreme Commander to Commander in Chief, Navy and Commander in Chief, Air Force requests them to carry out a minute investigation within their separate spheres of authority into the reasons for the regrettable confusion of our own naval forces with those of the enemy during the night of 22 Feb.

The Fuehrer asks them to track down the cause so that the necessary steps may be taken to exclude any possible recurrence.

All three services have also received a directive from the Fuehrer containing basic regulations for the avoidance of losses through action by our own forces.

See War Diary, Part B, Vol. V, Page 108.

These regulations together with a footnote by Commander in Chief, Navy will be passed on to all Commanding Admirals and Commanders.

27 Feb. 1940

CONFIDENTIAL

Items of Political Importance

Further Russian successes on the Karelian Isthmus.

U.S. Under Secretary of State Sumner Welles with Mussolini.
Cordial discussions.

Iran has declared that she will defend her neutrality with all the means at her disposal. The Government of Afghanistan is entirely on Iran's side.

For Churchill's speech see Foreign Press Report. Churchill announced the torpedoing of the BARHAM and damage to the NELSON from striking a mine. With regard to the German submarine service, Churchill estimated the total number of boats at the end of 1939 as 45 - 20 for training, 25 available for active operations - i.e. probably 10 constantly on operations. Submarine losses up to the end of 1939 estimated at 35 boats.

Conference on the Situation with the Chief, Naval Staff

Special Items

1. Group West informed us by teletype that a further postponement of operation "Schleswig" is necessary, since its execution later than 29 Feb. would wipe out the minelaying operations scheduled for after 4 March, as the destroyers concerned would very probably be undergoing repairs. The Group considers the mining operations more promising and therefore wishes to abandon operation "Schleswig" until this assignment is completed. It may, in the Group's opinion, be necessary to postpone "Schleswig" even further should it fall too close to the sailing date of the Atlantic ships, as its possible repercussions might greatly prejudice their chances of a successful breakthrough.

In contrast to the Group, Naval Staff regards the execution of the battleship operation as the more urgent, since, with the enemy situation favoring us, a successful attack against the Norway - Great Britain convoy traffic could be of decisive military and political importance. Psychological reasons also render it desirable to send the battleships

27 Feb. 1940

CONFIDENTIAL

on a fresh sortie at an early date. Moreover Naval Staff believes that even if the minelaying operation by the destroyers is canceled, the southeast coast of England can still be mined by destroyers, PT boats and planes during the March new moon period. Naval Staff agrees with the latter part of the Group's teletype which expresses misgivings as to the advisability of a battleship operation shortly before the Atlantic forces are due to sail.

2. Group West also requested confirmation that the two submarines which are to assist the auxiliary cruisers (Ship "16" and Ship "36") on their breakthrough south of Iceland would likewise be available for the LUETZOW and her supply ship.

Naval Staff refuses to permit such an operation. Direct cooperation from submarines can only furnish effective support for the slow auxiliary cruisers, not however for the LUETZOW and the supply ship. Their speed is their best guarantee of a successful breakthrough and the employment of submarines would only be a hindrance.

3. Report by Chief, Operations Branch on operational order for Ship "36" (Lt. Cdr. Weyher).

Chief, Naval Staff gave his consent.

(For copy of operational order see Part C, Vol. I).

4. Directive received from Armed Forces High Command on "immediate Operation Gelb", i.e. keyword orders in the case of an enemy penetration into Belgium (see Armed Forces High Command directive).

Special Reports on the Enemy

Atlantic:

Great Britain:

The cruiser NORFOLK has been relieved by the BERWICK and is to proceed to the Clyde.

France:

The LORRAINE, PROVENCE, FOCH, D. TROUIN and four submarines are said to have put in to Dakar on 25 Feb.

27 Feb. 1940

CONFIDENTIAL

North Sea:

There are now various Reuter reports on the appearance of British ships in Arctic waters. It is stated that their assignment is to prevent German ships from entering and making use of Norwegian territorial waters.

On the other hand, Finnish ski detachments near Petsamo have detected German ships and tankers in the ice-free bays and the watch of the British patrol may also be directed against them. Rumors that two German ships have been sunk near Petsamo are denied and represented as an attempt to elicit particulars of British shipping positions from the Admiralty.

Reports about the appearance of two aircraft carriers in the northern area are again confirmed.

According to a report from Trondheim, two Italian steamers of about 5,000 tons are in Hommelvik unloading guns as goods in transit.

Shipping Losses:

The British steamer ULSTER QUEEN (3,791 tons) ran aground near the Isle of Man. The British steamer CLAN MORRISON (6,000 tons) sank in the North Sea after striking a mine.

Own Situation

Atlantic:

Nothing to report.

North Sea:

Nothing special to report. So far no results from exploratory sweeps on Route 1 and Route 2.

British nuisance raiders dropped bombs west of Rantum during the night of 26 Feb. without result. One Blenheim bomber was shot down north of Heligoland.

27 Feb. 1940

CONFIDENTIAL

10th Air Corps carried out armed reconnaissance in the area Newcastle to the Shetlands. One steamer was set on fire, otherwise no successes. Two of our own planes were lost.

One plane belonging to the 2nd Air Force carried out reconnaissance of lights and defenses on the Dutch - Belgian - French and English Channel coast.

The supply ship ALTMARK has been instructed via the Attache that while in neutral territorial waters she is to use the armament on board only against any fresh attempt to board her. The C/30 machine-guns on board, at present stowed below deck, are not to be set up as a precautionary measure as long as the ship is in neutral waters.

The Attache in Oslo has informed us that thorough investigation proves that it is impossible to dock the ship in Norway.

The ship is first (about 5 March) to be towed into Sande Fiord for repairs. The question of whether she is to be taken to a Swedish dockyard or directly home is under consideration.

Baltic Sea:

Ice Situation:

Western Baltic: isolated patches open, no possibility of getting shipping through. Falsterbo Channel, Flint Channel closed, northern part of the Sound passable with icebreakers. Firm covering of ice in the Great Belt. Kattegat partly ice-free.

The Swedish icebreaker YMER put to sea from Stettin with colliers bound for Sweden.

Submarine Situation

In recognition of the recent outstanding achievements of the submarine arm, Commander in Chief, Navy has awarded the submarine badge to Commanding Admiral, Submarines, Rear Admiral Doenitz. (See Part B, Vol. V, Page 109.)

Atlantic:

In the operational area:

Submarines U "54", U "28", U "29".
Possibly submarines U "41", U "53".

On passage:

Submarine U "32" central North Sea.
Submarine U "38" sailed today.

On return passage:

Submarines U "50" and U "26".

Returned from long-range operation:

Submarine U "37" (Lt. Cdr. Hartmann).

Submarine Loss:

It is officially announced in Paris that the destroyer SIMOUN sank a German submarine off Cape Finisterre. Time not stated. (U "54"?)

North Sea:

In the operational area:

Submarines U "13", U "60", U "62", U "63".

On passage:

Submarine U "20".

Merchant Shipping

Nothing special to report.

Items of Political Importance

British Cabinet Ministers have appealed to British agriculture for an increase in production. The only way to win the war is to reduce imports. Britain's food supplies were described as inadequate. The Minister for Economic Warfare declared the blockade of Germany to be incomplete. Russian deliveries were breaking it. (Accumulation of tin and rubber in Russia for export to Germany). Necessity of tightening up trade agreements with the neutrals to cut out their transit trade to Germany.

For review of Britain's war economy see Part C, Vol. XII, Armed Forces High Command, War Economy and Armament Section, Bulletin No. 7 dated 9 Feb. According to this review, certain spheres of Britain's war economy have begun to feel the pinch, but in no case is there any crisis so far.

The Belgian press has produced a report from political circles that Great Britain has decided not to respect neutral territorial waters any longer if a violation can prevent the passage of warships or contraband. Judging by this statement Great Britain will in future seize German merchantmen even when proceeding through Norwegian waters.

For article by the British military author Liddell Hart on "Britain's Prospects in the War" see Part B, Vol. V, Page 110.

1100 Conference on the Situation with the Chief, Naval StaffSpecial Items

1. Discussion on the LUETZOW's breakthrough. Naval Staff's viewpoint is that this should take place under cover of the battleship operation. The question will be discussed by Chief of Operations Branch in Wilhelmshaven.
2. The following directive is to be sent by teletype to Group West (with copy to Commanding Admiral, Submarines). The subject is the execution of operation "Schleswig" and the LUETZOW's breakthrough;
 1. To make the destroyer operations during the new moon period and the sailing dates for LUETZOW, Ship "16" and Ship "36" the determining factors for the date of "Schleswig" would be tantamount to an indefinite postponement of this operation.

28 Feb. 1940

CONFIDENTIAL

2. The sailing dates for the Atlantic forces cannot yet be fixed as they depend on the ice situation and state of training.
 3. The results to be achieved by "Schleswig" are just as important as the results of further minelaying by destroyers, especially now that our aerial war on the east coast trade is increasing the effectiveness of earlier mining. If operation "Schleswig" takes place soon, time and material will still permit subsequent minelaying during the coming new moon period.
 4. For reasons detailed in 1 - 3 you are to aim at the execution of "Schleswig" as soon as possible and if necessary the minelaying operation planned for the immediate future is to be postponed.
 5. Forces of Commanding Admiral, Naval Forces, West are to cooperate in the breakthrough of LUETZOW and the other vessels. Endeavor to set up an attack disposition with submarines operating in Scottish waters, as for "Nordmark".
 6. No plans have been made for a special allocation of submarines for the LUETZOW and her supply ship. Their speed, which is their main advantage, does not permit close cooperation with submarines.
3. Chief, Naval Staff issued an order that vigorous anti-submarine activity is to be resumed as soon as the ice situation permits.

Special Reports on the Enemy

Atlantic:

Great Britain:

The NORFOLK, which was due to be relieved by the BERWICK on 27 Feb., was 450 miles west of the North Channel on the evening of 27 Feb.

Radio monitoring detected ships sailing in company and convoy movements.

28 Feb. 1940

CONFIDENTIAL

According to a report from New York, four freighters (British) carrying planes sailed in company for England on 26 Feb.

France:

Nothing special to report apart from convoys detected.

North Sea:

The 1st Destroyer Flotilla was detected at sea on 27 Feb. Likewise the Commodore of Force W. This is apparently the task force WARSPITE, RODNEY and HOOD.

In the Northern Patrol, the cruiser MANCHESTER is to relieve the SOUTHAMPTON, which is in the sea area off the north coast of Norway. The SOUTHAMPTON is to put into Kirkwall on 4 March. The cruisers are again to relieve one another on 11 March.

The cruiser NEWCASTLE is on patrol and is likewise to put into Kirkwall on 4 March.

According to a report from Trondheim on 26 Feb., two British aircraft carriers have been sighted northwest of the Lofoten Islands (date of sightings unknown). The report about a British cruiser off the north coast of Norway has been confirmed.

Stavanger reported that eight planes with Finnish national markings were allegedly spotted at 1400 on 25 Feb. south of Stavanger on course due north.

We cannot exclude the possibility that these were British planes sold to Finland.

The Consulate at Haugesund reported 28 steamers sailing in company on a northerly course south of Holmengraa on 25 Feb.

On 17 Feb. Admiralty announced the mining of all entrances to Kirkwall, i.e.:

1. Passage through Stronsay Firth, Orkneys forbidden.
2. Area around Gairsay closed.

Further on 19 Feb. the following warning was broadcast to all shipping:

"Barrages have been laid in the entrance to Shapinsay Sound and off Kirkwall. Ships entering must navigate with caution and follow the instructions given to the letter."

28 Feb. 1940

CONFIDENTIAL

The purpose of this mining is to increase the safety of the warships and merchant vessels lying in Shapinsay Sound and off Kirkwall. It cannot yet be seen whether there is any deeper connection with the declaration of the Special Defense Area in the part of Scotland north of the Caledonian Canal. (Concentration of troops and troop transports in the northern Scottish area for the preparation of a landing in Norway or large-scale help for Finland.)

(For Orkneys closed areas see Part B, Vol. V, Page 111.)

Own Situation

Atlantic:

Nothing to report.

North Sea:

Nothing to report. The SCHLESIIEN was sent to the Baltic Sea to assist in ice-breaking.

The Naval Attache in Oslo informed us that after thorough investigation it had been discovered that no Norwegian dockyard has the facilities to dock so large a ship as the ALTMARK. Naval Staff replied as follows to the Attache's query:

1. Agree to the transfer of the ALTMARK to Sande Fiord using Norwegian tugs, as soon as this move can be carried out inside the three mile limit.
2. Await improvement of the ice situation in Sande Fiord and then return through the Belt with tug.

Group West has been informed accordingly.

With reference to the action in the central North Sea on 13/14 Dec. which led to the torpedoing of the NUERNBERG and LEIPZIG, after study of the combat report from Commanding Admiral, Scouting

28 Feb. 1940

CONFIDENTIAL

Forces and the views of Commanding Admiral, Naval Forces, West and Group West, Naval Staff has issued its own commentary. Its purpose is to introduce a uniform assessment of certain aspects of strategy and tactics and bring the viewpoint of Chief, Naval Staff to the notice of the Commanding Admirals and Commanders concerned. (See War Diary, Part C, Vol. II.)

Baltic Sea:

No air operations due to the weather. Ice situation unchanged.

Submarine Situation

Atlantic:

For brief report from submarine U "37" (Lt. Cdr. Hartmann) see Part B, Vol. IV. On this operation from 28 Jan. to 27 Feb. she sank 45,000 tons, making a total of 16 ships - roughly 80,000 tons sunk in two operations.

In a congratulatory telegram to the successful commander and his crew the Commander in Chief expressed his warmest recognition of their pluck and their excellent achievements.

In the Atlantic operation area:

Submarines U "54", U "28", U "29".

On passage:

Submarines U "32", U "38".

On return passage:

Submarines U "50", U "26".

North Sea:

In the operational area:

Submarines U "62", U "63".

28 Feb. 1940

CONFIDENTIAL

On passage:

Submarine U "20".

On return passage:

Submarines U "13", U "60".

Submarine Losses:

The British press maintains that the submarine which sank the steamer LOCH MADDY in the North Atlantic on 22 Feb. was sunk shortly afterwards by a British warship.

An official French report states that the French torpedoboat SIMOUN sank a submarine off Cape Finisterre.

Merchant Shipping

Own Shipping:

Ministry of Transportation is again permitting ships to sail for Norway.

Foreign Shipping:

The Dutch steamer WESTLAND which took on turbine installations for Uruguay from the German steamer LA PLATA in Vigo, and had received a British convoy certificate, was in spite of this taken to Dakar by the French. The Dutch have lodged a protest.

On 27 Feb. the Ambassador in Oslo reported: On 11 Feb. the issue of Naval Staff Bulletin No. 193 was announced by the Norwegian Naval Staff. This bulletin stated that a condition of Norwegian war insurance for shipping was that until further notice all ships on the run to and from ports in the southern part of the North Sea must proceed along the east coast of Britain keeping west of the British minefields. This condition is cancelled from today. Captains of ships on this run are however obliged to procure all available information regarding the danger zone in the North Sea before leaving a new port.

**** *****

Items of Political Importance

Anxiety as to the outcome of the Russo-Finnish conflict is growing in the Scandinavian countries. In Sweden Finland's situation is described as increasingly serious. It is reported from German sources in Sweden that the Western Powers have lately been exerting stronger pressure on Sweden in favor of more effective support for Finland. Great Britain is said to be threatening Sweden with economic reprisals. Further, the impression is gaining ground in Sweden that Great Britain intends to land troops in Kirkenes in violation of Norwegian neutrality. The danger of a large-scale Allied action in Scandinavia has come alarmingly close. Sweden will defend her territory by force of arms, although the Government will try to avoid conflict if at all possible.

The Swedes still seem to be hoping for German mediation in the Russo-Finnish conflict. On the one hand Sweden sees the danger of Russian pressure and fears that if Finland collapses the Russians will press forward behind the retreating Finns; on the other hand, however, the imminent possibility of Allied military intervention is causing the Swedish Government intense anxiety.

An unconfirmed report from Great Britain speaks of the British Government's decision not to respect the limits of neutral territorial waters if an attack on warships or merchantmen carrying contraband is in question.

Naval Staff is following the course of events in the northern area very closely and continues to hold the view that the best solution is the maintenance of the status quo under which ore traffic proceeds in safety through Norwegian territorial waters. However every effort must be made to prevent Great Britain from occupying the Norwegian ore ports and the Swedish ore region and thus getting a hold on the Scandinavian area.

Conference on the Situation with the Chief, Naval StaffSpecial Items

1. Operation "Schleswig" cannot take place before 4 March owing to the SCHARNHORST's temporary breakdown. If "Schleswig" lasts till 7 March, minelaying cannot possibly be carried out before 9 March at the earliest. Under these circumstances

29 Feb. 1940

CONFIDENTIAL

Group West, after weighing up the respective advantages of the planned operations, arrived at the conclusion that the minelaying would be the more effective.

Chief, Naval Staff declined to give a decision on this subject, since Group West was informed of our basic views in yesterday's teletype, which denoted the battleship operation as being of greater importance. For the rest we have to await the result of today's conference between Chief, Operations Branch, Naval Staff (Commander Wagner) and Group West.

2. Discussion on intended minelaying operations off the southeast coast of England. Keywords "Sonthofen" and "Magdeburg". Provisional date: 4/5 March.
 - a. Sonthofen: (priority) Operation against the British convoy route off the Thames. Minelaying between the Shipwash and Inner Gabbard sandbanks and the Sunk and Shipwash lightships.
Minelayers: Two destroyers carrying 100 RMA, 56 RMB mines.
 - b. Magdeburg: Operation against the sea area off Haisbro lightship, shipping route between Cross Sand and Blakeney Overfalls.
Minelayers: Two destroyers plus one destroyer with anti-sweeping devices. They are to carry 100 EMC mines, 260 explosive floats.
3. Directive received from Armed Forces High Command stating that the Fuehrer, after consideration of the points arising from the Commander in Chief, Navy's report, has decided that the Naval Air Arm is not to carry out further minelaying until the Air Force is ready for large-scale operations. The date is to be arranged between the Air Force and the Navy.

Since our viewpoint has again been brought to the Fuehrer's notice, Chief, Naval Staff will not make any more representations to him. Agreement is now to be reached with the Air Force as to the earliest possible date.
4. Commander in Chief, Navy has decided that the hull of the aircraft carrier B, at present under construction, is to be broken up on the slipway.

For conference between Chief, Operations Branch, Naval Staff (Commander Wagner) and Group West see minute in War Diary, Part B, Vol. V, Page 112.

29 Feb. 1940

CONFIDENTIAL

Special Reports on the Enemy

Atlantic:

Great Britain:

An agent (Dane) on his return from a trip to the Faroes reported that British forces were frequently appearing in the waters around Greenland. All mail sent from Greenland to Denmark has been seized in order to prevent any forwarding of information on sightings.

France:

Nothing to report.

North Sea:

After 11 March the cruiser GALATHEA, which returned from the Mediterranean in the middle of February, is to fly the flag of the Commanding Admiral, 2nd Cruiser Squadron.

The cruiser YORK which put into Kirkwall on 29 Feb. intends to put to sea again after refuelling.

Three submarines in the North Sea off the coast of Norway. One submarine in the Heligoland Bight, another north of Texel and another probably approaching the East Frisian area.

During the night of 29 Feb., from 2300 until the morning, British planes belonging to six different squadrons were located in the southern part of the North Sea and the Heligoland Bight.

Own Situation

Atlantic:

Situation unchanged.

North Sea:

Exploratory sweep by the 6th Torpedo Boat Flotilla on route 1. No result. Three boats damaged their propellers on the ice. Two planes belonging to Commander in Chief, Air Force set off on a reconnaissance flight over Liverpool and Manchester but had to turn back owing to the weather.

29 Feb. 1940

CONFIDENTIAL

On the subject of the supply ship ALTMARK the Norwegian Government has informed us that it will not enforce the 24-hour limit of stay until the repairs are completed.

Baltic Sea:

The cruiser LUETZOW at sea on exercises (sub-caliber and torpedo firing). The Commanding Officer plans to carry out the urgently necessary training in the eastern and central Baltic Sea in the immediate future. He intends to go into dock in Bremerhaven from 10 to 12 March.

Submarine Situation

Atlantic:

Situation unchanged.

North Sea:

Submarines U "20", U "62", U "63".

On passage:

Submarine U "17".

Submarine U "32", on passage to the Atlantic, reported a convoy of 20 vessels on course 250°, 30 miles east of Fair Island.

War against Merchant Shipping

During the last ten days of February 1940, shipping losses sustained by foreign merchant navies amounted to 39 ships totaling 87,388 BRT.

Total losses up to 29 Feb. 1940 thus amount to 542 ships totaling 1,896,687 BRT.

Merchant Shipping

Own Shipping:

The steamer SANTOS (5,943 BRT) put in to Narvik on 27 Feb. (sailed from Rio de Janeiro on 13 Jan.) with a cargo of coffee, ore, tobacco. Four of the five ships which sailed for home from overseas during January have thus got through.

Foreign Shipping:

For information discovered by Naval Intelligence Division about the incorporation of neutral merchantmen in British convoys see War Diary, Part B, Vol. V, Page 113.

Supply Ships:

For extract from the War Diary of the Etappe organization regarding changes in the equipment of supply ships in the main etappe bases in Spain, Portugal, Italy, Russia, Mexico, South America and Japan see Part C, Vol. IX, "Supplies".

GLOSSARY

EMC

Standard mine, type C; a contact mine against surface vessels.

Etappe

Secret German naval organization for providing German naval units with information and supplies from foreign bases.

Fall Gelb

Covername for the invasion of France and the Low Countries.

RMA

Horned contact mine against surface vessels.

RMB

Horned contact mine against surface vessels.

Route 1

From Point D, 53° 48' N 6° 28' E through 54° 25' N 4° 43' E to the area off the British east coast.

Route 2

From 53° 47' N 7° 7' E through 54° 22' N 6° 16' E to the area off the British east coast.

Route "Blau"

From off Norderney to Point S, 54° 25' N 6° 47' E.

Route "Grün"

From the Elbe estuary, 54° N 8° 7' E to Point O, 54° 25' N 7° 50' E.

Route "Rot"

From 51° 25' N 3° 2' E along the Dutch coast to 53° 6' N 3° 32' E.

UMA

Standard anti-submarine mine.

"Weserübung"

Covername for the German invasion of Norway.

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