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WAR DIARY

German Naval Staff Operations Division

NAVAL WAR COLLEGE ARCHIVES RECEIVED
JUL 25 1950
Copy number 1 of 1

PART A

VOLUME II (eleven)

DECLASSIFIED IN ACCORDANCE WITH EXECUTIVE ORDER 11652 OF 5 MAY 1972, SUBJECT: DECLASSIFICATION OF WWII RECORDS

JULY, 1940

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WAR DIARY OF THE GERMAN NAVAL STAFF
(Operations Division)

PART A

July 1940

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

Vol. 11

Begun: 1 July 1940

Closed: 31 July 1940

DEFENSE JAW DOD MEMO OF 3 MAY 1972, SUBJ
RECORDS OF WWII RECORDS

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, Vol. 11 is the twenty-eighth 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.
1950

Items of Political ImportanceGreat Britain:

In a radio broadcast Chamberlain (sic) refuted recent rumors as to divergencies of opinion within the British Cabinet, which are said to have been spread by German propaganda.

He made a significant statement to the effect that if the Germans should succeed in gaining a foothold on the British coast and in breaking through, the British would fight in the streets, in the villages and the houses until they or the enemy were completely annihilated.

France:

Admiral Découx, Commander, Far East has ordered the French forces to put the Armistice into effect. Thus, all colonies have now acknowledged the Pétain Government.

Japan:

The Japanese Army declared that it no longer considers itself bound by the agreement with the British colony of Hongkong. The colony should be ready for evacuation within 24 hours, as military operations have started on the Hongkong border and military information was given to the Chinese National Army by the British.

Conference on the Situation with Chief, Naval StaffSpecial Items:

1. Immediate action is imperative to relieve the disastrous shortage of manpower for naval construction. The position has been further aggravated in the past few months. Completion of schedules, even for the fixed submarine program, is impossible. It is unlikely that deadlines set for the completion of ships, submarines, minesweepers and destroyers can be met. Manpower for naval production is about 21,000 men below requirements including roughly 12,400 skilled workers.

In the light of the latest developments in the military situation it is the Fuehrer's express wish that the naval construction program be given utmost priority over now less urgent or superseded matters. With the coming into force of the Armistice, the practical means of accomplishing this have become available and the most urgent steps must be taken to bring naval construction manpower up to the required level as soon as possible.

1 July 1940

CONFIDENTIAL

Chief, Armed Forces High Command, and Chiefs of his Divisions for National Defense and War Economy have been urgently advised of this matter by Commander in Chief, Navy.

2. Sweeping of Ground Mines:

Theoretical studies made on orders from the Mining and Barrage Inspectorate and the Minelaying Experimental Command indicate the possibility of magnetic mines being swept by plane equipped with suitable sweeping gear. (Some time ago a Dutch officer claimed that the British had swept ground mines by plane.) Scientists are of the opinion that an extremely slow-flying plane would be required to sweep German mines. It should, however, be theoretically possible to sweep British ground mines from a distance of 40 m. Practical tests will be started at the beginning of July.

Situation 1 July

Special Reports on the Enemy

Atlantic:

Nothing special to report.

A number of British steamers received orders yesterday to sail to Freetown instead of Dakar. Radio intelligence intercepted various convoys from the Halifax area.

The Armistice has been put into effect by forces in the Far East.

North Sea / Northern Waters:

In a readiness report made yesterday Commander in Chief, Home Fleet in Scapa requested that, in view of the present situation, three cruisers of the 18th Cruiser Squadron be assigned to his command.

Canceling previous orders, the British Admiralty ordered merchantmen in home waters off the Atlantic coast to sail for Lerwick (Shetland Islands) (evidently in anticipation of air raids on western ports).

Enemy planes made armed reconnaissance flights over the west coast of Norway, in the course of which some incendiaries were dropped on Bergen, and high explosive bombs on a convoy en route from Kristiansand to Stavanger. No damage in Bergen. No hits scored on the convoy. The patrol boats escorting the convoy were reported by the enemy as destroyers.

1 July 1940

CONFIDENTIAL

Several enemy submarines were sighted: 60 miles west of Halten, 70 miles west of Lister, 40 miles west of Utsire, 30 miles north-west of Stadtlandet. Submarine chasers failed to achieve any successes.

Own Situation

Atlantic:

Ship "10" reported her position in large grid square EH (southwest of the Cape Verde Islands.) The vessel took a prize in the Azores area (a medium sized Dutch merchantman) and dispatched it to the Bay of Biscay.

Commanding Admiral, France has tentatively fixed Lorient as the receiving port for prizes, subject to further investigations by Naval Commanders.

The prizes are being informed of an order under which, commencing 1 July, submarines are forbidden to sink vessels without warning south of the line 45° N, 20° W - 45° N, 5° W to Belle Isle (see Submarine Situation, order concerning restriction of the area for operations against merchant shipping).

Norway:

Nothing special to report.

Submarine chasers scored no successes; enemy air raids unsuccessful.

Channel:

The sortie by the 2nd PT Boat Flotilla from Boulogne into the Dungeness area produced no results. No sightings. The 2nd Motor Minesweeper Flotilla failed to locate mines in the entrance to Brest and plans to transfer to Lorient.

The British Channel Islands were occupied by airborne naval shock troop detachments after planes of the 3rd Air Force had landed; shock troops were followed immediately by Army detachments and light anti-aircraft guns. The ports have been taken over by port control personnel. The island of Alderney will likewise be occupied by the Navy on 2 July. Three British planes, two of which were shot down, attempted to prevent the first landing of three of our planes.

Holland:

Commander, Minesweepers, West reported sighting very sensitive drifting mines off various ports of the Scheldt. They are assumed to have been dropped by planes.

1 July 1940

CONFIDENTIAL

Western France:

The harbors of Bayonne and St. Jean de Luz are intact; several armed merchantmen and numerous fishing vessels were found there.

Skagerrak/Kattegat:

No submarines detected.

Mine Situation:

Ground mines were swept in the outer Kiel estuary. Otherwise no new mine reports.

Transport Situation:

According to plan.

Submarine Situation:

U "65" shadowing a convoy 300 miles west of Ouessant; U "62" west of the Hebrides; U "56", "61" in Bergen; U "46", "32" returned from long-range operations. For brief reports see War Diary, Part B, Vol. IV.

Successes:

U "46" sank auxiliary cruiser CARINTHIA (20,277 tons) in addition to 32,500 G.R.T. of other shipping. One torpedo hit on aircraft carrier ILLUSTRIOUS is questionable. U "32" (Jenisch) sank 23,500 G.R.T., U "48" (Roesing) 42,686 G.R.T. (eight steamers).

The Dutch steamer AMSTELLAND (8,356 tons) was torpedoed and is out of control. An unidentified vessel was torpedoed 200 miles west of Ouessant. Reuter reported: British steamers CARIAN and GUIDO were attacked 300 miles southwest of Ireland. Steamers CLAN OGILVY (5,802 G.R.T.) and GODFREY B.HOD (3,558 G.R.T.) are being given assistance by destroyers.

Commanding Admiral, Submarines has tentatively designated Lorient

1 July 1940

CONFIDENTIAL

as the fitting out port on the west coast of France. The final choice of submarine base will be made later.

Order from Naval Staff to Group West and Commanding Admiral, Submarines:

"The area in which immediate, unrestricted offensive action against vessels proceeding without lights, tankers and Greek vessels is permitted and area "F" are now limited to the south by the following new line: from 45° N, 20° W via 45° N, 5° W to the French coast near Belle Isle. This restriction has been decided on in view of returning prizes, our own vessels returning from Spain and returning French vessels."

Merchant Shipping

Losses:

Steamer COELN (7,881 G.R.T.), carrying ore, was beached east of Gaevle.

Foreign Shipping:

The Rumanian Government announced danger zones in territorial waters and off the harbors.

Mediterranean

See Situation Mediterranean.

Successful air raids on a British convoy in the Crete area. Transfer to Cyrenaica of divisions no longer required on the Tunisian border has been started.

Air Situation

See Air Force Events of the Day. There were no important operations.

1 July 1940

CONFIDENTIAL

Situation on Land

Bordeaux has been occupied by Group Kleist. The surrender of the Maginot Line has been arranged by negotiation.

CONFIDENTIAL

2 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Peace rumors persist and are stated to be mainly of British origin. They do not represent the opinion of authoritative official circles. Nor, according to his own statements, is Chamberlain (sic) in favor of embarking on a policy of peace, whereas Lords Londonderry, Rothermere and Redesdale have been mentioned in connection with a movement that inclines toward sounding out the possibilities in that direction. It is quite possible that this group has the mistaken idea that Germany has been so weakened by her successes that she may now be willing to make a peace favorable to Great Britain.

According to Reuter the British Government has made an official announcement on the situation in Syria. This states that, even after the cessation of hostilities by the French Army in the Near East, Great Britain will not tolerate the occupation of Syria or the Lebanon by any foreign power or their use as a base for attacks against other countries. In the event of unrest in Syria the British Government would also take the same stand (occupation).

According to an American report the Commander in Chief of the British naval forces in the Far East, Admiral Sir Percy Noble and his entire staff will transfer from Hongkong to Singapore, together with the major part of the British East Asia Fleet and various Australian warships.

France:

General de Gaulle, commanding the Free French Forces has appointed Vice Admiral Mouselier "Commander in Chief of the Free French Naval and Air Forces".

Norway:

Terboven, the German Reich Commissar, informed the Administrative Council in Oslo that the German Government wishes the Norwegian Storting to be convoked. It is reported that the final rejection of King Haakon and the Government in exile and the establishment of a Norwegian Government which enjoys the confidence of Germany and of the Norwegian nation has been demanded.

Portugal:

With respect to the many rumors about occupation of the Azores and Lisbon by Great Britain, Prime Minister Salazar has declared that such action is entirely out of the question.

Rumania:

It is reported from London that Great Britain cannot recognize the notice served by Rumania of her denouncement of the Anglo-French guarantee, on the grounds that the guarantee was given by Great Britain unilaterally and cannot simply be canceled by Rumania.

Conference on the Situation with Chief, Naval StaffSpecial Items:

1. Report by the Chief, Operations Branch on the order from High Command, Army regarding reorganization of the Army after conquest of France. The following are to remain intact: 33 divisions with Army Group "A", 16 divisions and 1 cavalry division with Army Group "B", 36 divisions with Army Group "C" and 15 divisions in the east under the 18th Army Command. (For details see order from High Command, Army.)
2. Report on the directive from Armed Forces High Command (WFA Abt. L Nr. 33120/40 Chefs. of 28 June) regarding misleading the enemy as to the conduct of war against Great Britain:

Energetic steps to prepare for the war against the British Isles and overseas possessions. No doubt of its decisive success. British blockade measures entirely ineffective. Strictest secrecy concerning the manner in which war will be continued. A landing in Ireland has been planned and prepared. Present lull in activities of the German Air Force is only a breathing spell. British air raids on German industrial targets are pin pricks. The German Air Force will be nearly doubled by the end of 1940. New weapons. Operations against British positions in the Near East, taking Russian and Italian interests into account.

3. Armed Forces High Command ordered that all preparations necessary for a possible landing in Great Britain relative to assembly of transport vessels be dealt with by High Command, Navy which will assume full responsibility. All data must be submitted to High Command, Navy.
4. The French Armistice Commission has expressed great concern that, if transferred to home ports, the French Fleet might be exposed to attacks from British submarines and planes at anchorages in these ports. It requests that the Fleet be stationed at bases as far from Great Britain as possible.

2 July 1940

CONFIDENTIAL

This is agreed to in principle but the demand that French vessels leave British harbors must nonetheless be adhered to. The Chief of the German Armistice Commission has made it clear to the French General Huntzinger that the German Government would regard the recall of French naval forces from British ports as the criterion of the French Government's intention faithfully to fulfill the Armistice conditions.

Situation 2 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Concerning the movements of the heavy Task Force HOOD, see "Mediterranean".

A convoy of 22 steamers and 2 passenger steamers with troops aboard left Gibraltar to-day bound for the west. Since the HOOD Task Force left for the east there is evidently no connection between the movements of this Force and the westward bound convoy. Radio traffic indicates that the old battleship VALIANT with the destroyers FORESTER, FORESIGHT and ESCORT and the cruiser ENTERPRISE form part of Force HOOD.

It has been established by radio intelligence that the aircraft carrier ARGUS is in the North Atlantic, probably in the Iceland area.

France:

The French Admiralty has issued an order presumably concerning the actuation of the new codes agreed upon with us.

Norway/Northern Waters:

No enemy movements in northern waters. The old battleship NELSON received an operational radio signal during the morning. She is assumed to be in Scottish waters. The cruiser BIRMINGHAM is sailing from Rosyth to the Thames along the British east coast. Convoys have been spotted along the east coast of Great Britain.

Submarines have been located 50 miles west of Kristiansund and in the area west of Stadtlandet.

2 July 1940

CONFIDENTIAL

Channel:

There have been repeated air warnings along the British south coast for all merchantmen and coastal establishments.

Own Situation

Atlantic:

No news from the auxiliary cruisers. The prizes taken by Ship "21" and Ship "10" received further detailed instructions for entering Lorient (see radiograms 1900 and 2100).

Vessels in the Atlantic have been advised of the movements of enemy forces.

Norway:

Northern Norway:

The 2nd Minesweeper Flotilla has been escorting Army transports in the Narvik - Bodoe - Mosjoen area. The steamer LEVANTE and the 5th Motor Minesweeper Flotilla are in the Narvik area for future transport tasks in connection with the transfer of the destroyer crews left in Norway. The 5th Motor Minesweeper Flotilla is to be employed for sweeping the barrage off Landegode.

Trondheim:

Destroyers LODY and JACOBI put in to Trondheim in the evening of 1 July.

The NUERNBERG, with Commanding Admiral, Scouting Force, plans to put out to-morrow until 6 July for Lavanger and Steinkjaer.

Channel:

The 2nd PT Boat Flotilla made a sortie during the night of 1 July into the region south of Beachy Head. No targets were found. On their return at dawn the boats were chased by three destroyers.

France:

The Armistice Commission advises that it intends to issue to-day the order for French forces in British ports to return. The time for their entry into French ports has been restricted to the

2 July 1940

CONFIDENTIAL

period between 1200 and 1800. The ships are ordered to fly a white flag on the foremast and large white flags are to be painted on their hulls fore and aft.

Special instructions for the employment of ground mines:

The new non-contact firing designated "Fab III" may now be used. The installation of "Fab III" instead of "Bik" in aerial mines has been started. Its installation in TMB and RMA mines will likewise be possible later. It is assumed that 500 will be produced in the month of July. They will be released by the code-word from Naval Staff "Fab III released".

Group West, the 9th Air Division, Commanding Admiral, Submarines and the Mining and Barrage Inspectorate have been instructed to expedite preparations for the use of this new non-contact firing device. Upon its release by Naval Staff, it must be put into immediate use with instructions that "Fab III" mines be laid mixed with "Bik" mines in the proportion of one to five. This measure is necessary in order to make it more difficult for the enemy to identify the employment of a new firing device.

Skagerrak/Kattegat:

No submarine reports.

Mine Situation

No findings. Mines are assumed to have been laid during the night of 2 July in the course of enemy flights into the Western Baltic in the direction of Fehmarn - Langeland.

An air raid on Kiel took place during the night of 1 July.

Transport Situation

As planned, without incident. The tanker ESSO en route for the Siberian sea route to supply Ship "45" passed Kristiansand in the evening.

2 July 1940

CONFIDENTIAL

Submarine Situation

U "38" returned from operations.

U "56" left Bergen for the operational area.

U "52" took on fuel and supplies at "Bernardo" (Vigo, Tr. N.) in Spain.

U "29" started on return passage 500 miles west of Brest owing to breakdown of the attack periscope; three steamers totaling 15,000 G.R.T. sunk; the tanker ATHELLAIRD (8,995 tons) torpedoed; sinking not observed.

The submarines were ordered not to approach the French coast before reporting in. There are food, fuel and oil supply facilities in Lorient, and torpedoes sufficient for two submarines.

Submarine Successes:

The Radio Monitoring Service picked up news of the torpedoing of the British steamer ARANDORA STAR (15,506 G.R.T.).

Merchant Shipping

Motor vessel HAVELLAND (6,334 G.R.T.), with a valuable cargo, put out from Manzanillo (west coast of Mexico) on 27 June bound for Japan.

Mediterranean

See Situation Mediterranean.

Intelligence Center, Spain reports that the following heavy British Task Force put out from Gibraltar, eastbound, at 1730: HOOD, ARK ROYAL and 3 battleships of the VALIANT class and R class with 3 cruisers and 10 destroyers. This news is surprising. The objective of the operation is not yet clear. In view of the strong Italian blocking position, a breakthrough into the Eastern Mediterranean through the Sicilian Channel would seem to be out of the question.

2 July 1940

CONFIDENTIAL

It may be assumed that the movement of these forces is in some way connected with British patrol measures and projects to seize the French Mediterranean forces along the coast of North Africa. Possibly a demonstration off Oran is planned; moreover, the possibility of an operation in agreement with the French command posts is not to be excluded.

To replace Marshal Balbo who was recently killed in an accident, Marshal Graziani has assumed command of Army Group Libya, while provisionally retaining his present post as Chief of General Staff.

Situation on Land

No special incidents.

The French Armistice Commission submitted a survey of the strength of the remaining French Army as follows:

<u>In France:</u>	Field Army 500,000 men. Garrison Army 300,000 men.
<u>In North Africa:</u>	Regular troops about 200,000. Reserves about 200,000.
<u>In Syria:</u>	80,000 men.
<u>In the Colonies:</u>	250,000 men.

Air Situation

See Air Force Events of the Day.

Six Ju 88's attacked a convoy in the Channel, sinking two steamers and damaging one.

The 106th Coastal Patrol Group flew an aerial minelaying mission off Harwich and in the Downs and Ramsgate area.

There were heavy air raids in five waves on Kiel between 0100 and 0215. Hits were scored on the naval dockyards. Fire caused damage; a mould-loft and an anti-aircraft emplacement were destroyed. Slight loss in production, negligible damage. No casualties. The fitting-out dockyard suffered slight damage. Hits were scored on the PRINZ EUGEN, which will presumably mean

2 July 1940

CONFIDENTIAL

a delay of several weeks.

Several hits in the center of the city of Kiel.

Items of Political ImportanceFrance:

Surprise attack by a strong British Task Force on the French forces at anchor in the harbor of Mers el Kebir. Great Britain taking possession of French vessels and formations lying in British ports. Reason: to prevent Germany seizing the French Fleet.

For particulars see under Situation Mediterranean.

The Pétain Government has been recognized by the whole of France.

Demobilization in the colonies has been started. The French Government may be expected to fulfill the Armistice conditions faithfully.

Great Britain:

In reply to a question in the House of Commons, the Minister of Economic Warfare stated that the necessary measures for the blockade of French ports under German and Italian control have been taken. With respect to ports in the French colonies, the decision has been postponed.

Rumania:

For situation in Bessarabia see Political Survey and Foreign Press.

In regard to the demands on Rumania made by Bulgaria and Hungary, the Rumanian Government has been informed by the Foreign Office that Germany would welcome Rumania complying, provided that the demands did not exceed certain limits.

Russia:

Changes in the Russian Army. Greater emphasis is being placed on military discipline. Compulsory saluting of officers introduced.

Aaland Islands:

The Russian Government has advised the Finnish Government that it will not sign the Russo-Finnish economic agreement, unless the Aaland question is settled. Finland is given the choice of two alternatives:

1. Demilitarization of the islands, under Russian control, or

3 July 1940

CONFIDENTIAL

2. Fortification of the islands with Russian participation and under Russian supervision.

To the Finnish objection that the U.S.S.R. had formerly been willing for Finland to fortify the islands as long as she did so without the participation of foreign powers, the Russians replied that there had been a change in their views on this matter although it had not been mentioned during the Russo-Finnish peace negotiations.

Naval Staff takes the following view, which has been transmitted to the Foreign Office.

If, in the event of war between Germany and Russia, the Aaland Islands were in Russian hands, German naval warfare in the Eastern Baltic Sea would be rendered considerably more difficult. For this reason, Naval Staff has hitherto contended that the islands should be in the hands of a neutral power and thus protected against Russian seizure. Fortification of the islands would make it more difficult for the Russians to seize them. In view of the present political situation, fortification of the Aaland Islands can no longer be directed against Russia but would merely considerably strengthen Russia's powerful position in the Gulf of Finland and the Gulf of Bothnia. In the present case, therefore, demilitarization of the Aaland Islands is to be preferred as the lesser evil.

U.S.A.:

See Political Survey No. 153, Para. 9.

Situation 3 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Movements of forces:

The NELSON is probably in the region of the Western Approaches. Her movements may be connected with the anticipated departure of French forces from West African ports of their attempt to escape from British ports. The aircraft carrier FURIOUS and cruiser DEVONSHIRE, together with the steamer EMPRESS OF AUSTRALIA (21,833 G.R.T.), put out from Halifax on 1 July, evidently bound for the Clyde.

3 July 1940

CONFIDENTIAL

France:

On the evening of 2 July the Admiralty ordered that official radio traffic be resumed; special communications networks, special wavelengths; no use of secret radio names (see teletype 0900).

On the morning of 3 July all French merchantmen received orders to put in to French or French-controlled ports, or in to a neutral port, and there to await orders from the Admiralty. The French Admiralty prohibits passage through the Straits of Gibraltar in either direction for all French merchantmen and ships sailing under French charter. Vessels bound for the French Atlantic coast are to continue along the coast, making use of Spanish and Portuguese territorial waters.

In accordance with the directive issued by the Armistice Commission, all French warships at present in British ports have been ordered to depart immediately and to assemble in Brest. A white flag is to be flown on the foremast; the ships are to carry white stripes on the hull fore and aft (see radiogram 1335).

As a result of the British action in Oran, the French Admiralty announced in the evening that all British vessels and planes are prohibited from approaching the French coast within 20 miles of territorial waters. French warships have received orders to meet force with force in case British warships should impede their movements. (See Situation Mediterranean).

Admiral Mouselier, who was appointed Commander in Chief by de Gaulle, called on all naval and air forces to assemble for operations against the enemy and to abandon allegiance to those who had surrendered the Fleet.

North Sea/Northern Waters:

No enemy movements were detected in northern waters. The cruisers BIRMINGHAM and CARDIFF, as well as destroyers of four different flotillas have been observed along the British east coast.

Enemy submarines 60 miles west of Skudesnes Fjord, southwest of Egeroe, southeast of Kristiansand. (An extensive oil patch was sighted by air reconnaissance east of the antenna mine barrage.)

Channel:

Convoy traffic in the Dover area. Otherwise no special findings.

3 July 1940

CONFIDENTIAL

Own Situation

Atlantic:

Vessels in the Atlantic were advised of the situation in France, the final results of the campaign against France and newly-detected enemy movements. There are no reports to hand from the auxiliary cruisers.

Norway:

The steamer ALSTERTOR was ordered to Mosjoen to fetch another Army contingent. The 1st Patrol Boat Flotilla (five boats) and the 18th Minesweeper Flotilla (three boats) are en route from Bergen to Trondheim.

Bergen was raided without success by British bombers on the afternoon of 3 July. (Targets were a tanker, fuel installations and the anti-aircraft positions.)

Fourteen steamers put out from Stavanger bound for Kristiansand and escorted by boats of the 12th Submarine Chaser Group, the 11th Patrol Boat Flotilla and the 18th Minesweeper Flotilla. On this occasion the steamer CYGNUS (1,333 G.R.T., a Norwegian prize) was torpedoed and sunk.

Shallow mines were reported by Norwegian fishermen south of Egersund.

Forces of Commander, Naval Air, West carried out submarine chase along the Norwegian coast.

North Sea:

Radio intelligence established that British battleship and cruiser formations were standing by at one hour's readiness in Scapa. Accordingly Naval Staff on 2 July urgently requested from Armed Forces High Command immediate execution of the bomb and mine attack on Scapa which had already been repeatedly requested of Commander in Chief, Air Force, pointing out that British forces in Scapa represent a constant menace to important sea lanes along the Norwegian coast and impede effective operations by our own forces in the northern waters - Iceland area.

Following a discussion with Air Force, Operations Staff, Armed Forces High Command replied that the Air Force attacks British sea targets as a rule when radio monitoring reports are confirmed by air reconnaissance, weather conditions favorable, and other prerequisites for a promising attack exist.

3 July 1940

CONFIDENTIAL

The Air Force, however, holds the view that enemy Fleet units lying constantly at readiness do not offer favorable prospects for air attacks.

Channel:

The sortie undertaken by the 1st PT Boat Flotilla from Cherbourg into the area west of the Isle of Wight during the night of 2 July produced no results.

France:

Commanding Admiral, France was ordered by Naval Staff to mop up the islands immediately off the French west coast as soon as possible and to make the necessary arrangements regarding the forces and assistance required with the local commanders of the Army and Air Force.

Commanding Admiral, France has been informed in regard to two prizes which are expected in the next few days to enter Lorient (alternative port: Bayonne). The ports of Cherbourg and the Gironde recommended by Admirals, Northern and Western France for prizes cannot be taken into consideration, at least until the mine situation has been checked, (see teletype 1600).

Inspection of the dockyards at Nantes showed the following:

De la Loire Dockyard: the following destroyers are under construction and completed to the extent specified: LE FAROUCHE 50%, LE CORSE 15%, LE TUNISIEN 13%, LE NORMAND 5%. One fishing trawler placed on order outside the dockyard.

Duligeon Dockyard: the following submarines are under construction and will be completed by the dates specified: L'ASTRAE Feb.1941, L'ANDROMEDE Feb.1942, LE CLORINDE May 1942, LE CESNELLE Aug.1942. One fishing trawler placed on order outside the dockyard.

It is of general interest that the time required for building submarines is thirty months. There are bottlenecks in the production of engines, crank shafts and thrust bearings.

In order that dockyard questions may be dealt with further, an early clarification is necessary as to whether French warships under construction are to be counted, under the Armistice conditions, as a part of the French Navy or whether they can be taken over as our own new constructions. Commanding Admiral, France

3 July 1940

CONFIDENTIAL

has requested an early decision by wire.

Naval Staff is of the opinion that warships under construction, both in conquered territory and that to be occupied under the treaty, do not fall under Article 8 of the treaty and should be considered war booty; that French warships commissioned in conquered territory are war booty, whereas those in the area yet to be occupied form part of the French Fleet and fall under Article 8 of the treaty; that French merchantmen in territory occupied prior to the Armistice having become effective, should be treated in accordance with prize regulations. The Armistice Commission has been requested to confirm the opinion held by Naval Staff. (See radiogram 1925).

As a result of the changed situation (surprise attack by British Task Force "H" on French naval forces in Oran) Naval Staff informed Commanding Admiral, France, Group West, Commanding Admiral, Submarines and the Armistice Commission of the possibility that French forces which have been ordered to return may enter the prescribed French ports at hours other than those specified. (See teletype 1500).

For the execution of future tasks in the Atlantic Group West requested that:

1. the Trans-Ocean squadron be reinforced by at least four Do 24 planes;
2. catapult ship OSTMARK be withdrawn from Las Palmas to a French port on the Atlantic coast.

Concerning 1.: The request cannot yet be granted, as captured (Dutch, Tr.N.) planes (Do 24) must first be converted for starting. Air Force Operations Staff will be asked to fit them up as long-range reconnaissance planes.

Concerning 2.: The transfer of the OSTMARK is under consideration.

Skagerrak/Kattegat/Western Baltic:

An enemy submarine was detected off Kristiansand. There has been no change in the mine situation. At noon, enemy planes were over the Kiel estuary. No bombs dropped. During the night of 3 July enemy planes on missions over Jutland - Langeland Belt - Samsøe Belt. Minelaying not observed.

3 July 1940

CONFIDENTIAL

Transport traffic was carried out according to plan.

Submarine Situation

U "38" returned from operations. U "56" put out from Bergen for the operational area.

In addition to U "A", there are at present 7 submarines in the operational area, 2 (U"99", "56") on passage and 6 on return passage.

New distribution of operational areas:

U "34" and U "99": From grid square 11 as far as the Irish coast.

U "102" and U "43": grid square 14.

U "30" and U "43": grid square 17.

U "26": grid square 41.

U "52": grid square 44.

U "122" south of 46° 30' N.

U "46" and "48" report only having sighted steamers carrying particularly heavy loads, which gives rise to the assumption that loading capacity is being made use of beyond the usual limit.

Submarine Successes:

U "52" reports having sunk 21,000 G.R.T. She still has five torpedoes. According to a British announcement, the steamer ARANDORA STAR, which was torpedoed by a submarine, was carrying 1,500 German and Italian civilian internees who were being taken to Canada. About 1,000 persons are said to have been rescued.

Mediterranean

The Liaison Staff attached to the Royal Italian Admiralty (Rear Admiral Weichold, Commander von Puffendorf) assumed full duty on 2 July.

British Surprise Attack on Oran:

The British Task Force "H" (HOOD, VALIANT, RESOLUTION, ARK ROYAL, three cruisers, and a destroyer flotilla) put out from Gibraltar

3 July 1940

CONFIDENTIAL

on 2 July and were off Oran on the morning of 3 July. An ultimatum was issued to the French forces lying in the harbor (DUNKERQUE, STRASSBOURG, BRETAGNE, PROVENCE, 3 cruisers, 1 torpedo boat flotilla, 20 submarines) either to join the British Fleet or to scuttle themselves within six hours so as to prevent them falling into German or Italian hands. Before the expiration of this time limit British planes laid mines off the harbor entrance. At 1430 the Commander in Chief of the French Atlantic Squadron, Admiral Gensoul, reported to the French Admiralty that he had replied as follows:

- "1. The second alternative is out of the question.
2. I shall put up armed defense.
3. The first salvo fired will actually mean that the whole French Fleet is turned against Great Britain, which would be the exact opposite of what the British Government is trying to achieve."

The British answer read as follows: "If you put to sea without accepting the reasonable and "honorable" proposals made, I regret that I shall have to open fire."

At 1505 the French Admiralty issued the following order to the Commander in Chief, Atlantic Squadron: "You will inform the British mediator that the Admiral of the Fleet has ordered all French naval forces to assemble immediately in action readiness. You must issue your orders to these forces. You will meet force with force. If need be, you will call for assistance from submarines and the Air Force. The Armistice Commission has been informed."

At 1900 Commander in Chief, Atlantic Squadron reported that the engagement with the British forces had started. At 2300 he advised the battle-cruiser HOOD that the French warships were out of action and that he had ordered the crews to abandon ship. Fifty minutes later the French Admiralty prohibited further negotiations with the enemy. Admiral Sesteva has been appointed to assume command of Naval Forces, South.

There have been no definite reports so far on the fate of the Oran forces. Six cruisers and four destroyers which, presumably on orders from the French Admiral, are to assemble off Oran to oppose the British

3 July 1940

CONFIDENTIAL

Task Force, were reported at 1850 by a British submarine to be north of Algiers heading west.

The British submarines PROTEUS and PANDORA have been sent out to attack these forces.

Eastern Mediterranean:

The Admiral of the French forces in Alexandria reported to the French Admiralty that he is unable to put out due to danger from mines. He received the following radio message from the Admiralty at 2244: "Do not put out before you are ready. I forbid scuttling without taking any action. Before taking such a step you must put up a fight and try to get away. Admiral Gensoul has been in action since 1700. At least an eye for an eye."

All French forces received orders to regard Great Britain as an enemy in view of the hostile actions of the British Navy, to attack all British warships and to seize and take to French ports all British merchantmen encountered.

In view of the outstanding conduct of the French Fleet, the Chief of the Armistice Commission has issued orders to investigate the easing of the Armistice conditions. Scuttling as a result of hostile action on the part of the British will not be regarded as a breach of the Armistice terms. The stand taken by the French Fleet will have a bearing on the terms of the peace treaty.

Italy's Attitude:

In view of the departure of British Task Force "H" from Gibraltar, the Italian Navy expects an attempted breakthrough to the east possibly during the night of 3 July via the Sicilian Channel. With this in view, seven submarines are being disposed west and southwest of Sardinia and three in the Sicilian Channel and torpedo and PT boats have been ordered to stand by in the harbors of Western Sicily.

A sortie by light naval forces to the west has not been planned. Important troop and supply transports are scheduled to sail for Benghazi on 6 July and execution of this plan will depend on the further action of the British Task Force.

The Italian assessment of the situation reflects a regrettably

3 July 1940

CONFIDENTIAL

strong defensive attitude which concentrates on defense of the Sicily position, is too wary of running risks and presumably has let slip a favorable opportunity off Oran. The reason for this attitude may perhaps lie in a certain feeling of inferiority towards the British.

Air Situation

See Air Force Events of the Day.

Attack on Brighton harbor during armed air reconnaissance. Bombs were successfully dropped on convoys.

Conference on the Situation with Chief, Naval Staff

Report by Operations Division, Naval Air and Air Force Liaison Section on the reorganization and strength of coastal patrol formations.

I. In view of the new situation which has arisen in the conduct of aerial warfare as a result of the collapse of France, which calls for the utmost concentration of all available Air Force formations against Great Britain, Commander in Chief, Air Force suggests the following new distribution of air reconnaissance at sea between Commander in Chief, Navy and Commander in Chief, Air Force:

Commander in Chief, Air Force to carry out air reconnaissance west of England in the Orkney - Shetland area, on the east coast of England in a strip 30 miles wide and in the Channel area south of 53° N (line Helder/Cromer).

Commander in Chief, Navy to carry out air reconnaissance of the North Sea, patrol of the coastal approaches, protection of sea lanes to Norway and anti-submarine operations.

Commander in Chief, Air Force lays claim to Group 806 (Ju 88) and Group 106 for reinforcement of the offensive forces.

3 July 1940

CONFIDENTIAL

Navy personnel assigned to these groups to be left with them for the time being.

Command posts of the Navy on the Dutch, Belgian and French coasts are to be ordered to cooperate very closely with the 2nd and 3rd Air Forces. (See order from Reich Minister for Air No. 6/40 gkdos. 1 Skl. 9228/40 gkdos.)

- II. Naval Staff concurs in the view held by Commander in Chief, Air Force as to the concentration of all air forces for the imminent battle against Great Britain, the more so because there are no longer any offensive tasks to be performed against convoys in the North Sea and because the temporary lack of readiness of the battleships restricts offensive naval warfare mainly to interference with enemy supply movements by submarines and PT boats.

The surrender of naval air force formations to Commander in Chief, Air Force however will have to depend on the tasks at present also falling to the Navy. The development of the war situation necessitates the following new distribution and changes in the command organization of the coastal patrol formations:

Appointment of three Air Commanders under Commander, Naval Air (Baltic, North and France). Of these three, Air Commander, Baltic will be subordinated to Group Baltic in all tactical respects.

Air Commander, Baltic: With two coastal squadrons and two reserve squadrons, forces are regarded as adequate for the tasks in this area.

Commander, Naval Air, West and Air Commander, North: The extension of the operational area to Tromsøe - Kirkenes demands that the coastal patrol formations concentrate on the North Sea/Northern Waters area and that Commander, Naval Air or Group West allocate additional forces to Air Commander, North. It will therefore be necessary that three coastal patrol groups and two shipborne squadrons (the latter for submarine chase and escort duties) be allocated.

Air Commander, France: The desired increase in submarine warfare successes calls for cooperation between plane and submarine; for this a coastal patrol group and long range reconnaissance planes (Do 26) will be necessary. This over-all commitment will meet the wishes of Commander in Chief, Air Force. Therefore, while surrender of Coastal Patrol Group 806 to Commander in Chief, Air Force will be in order, it will not be possible to hand over

5 July 1940

CONFIDENTIAL

Group 106, as this will be needed for new tasks arising in the area of France.

III. Commander in Chief, Air Force has been requested to charge the Air Force General attached to Commander in Chief, Navy with execution of the required organizational changes, and has been informed that Naval Staff will have to insist on the return of Group 106. The wish of Commander in Chief, Air Force for surrender of Coastal Patrol Group 806 will be complied with on the following conditions:

1. The arrangement is prompted by the need for joint action from joint operational areas and is based on the fact that there is no operational battle Fleet at present available and consequently no necessity for a close tactical tie-up between air formations and surface forces.
2. Group 806 is only ceded temporarily.
3. Group 806 will continue to be staffed with naval observers.
4. The Air Force undertakes, if so requested by Naval Staff, to use this group for naval air warfare for which it is especially qualified.
5. Combat tasks in the central North Sea will be taken over by the adjacent Air Forces.

The Group Commands have been informed; the Air Force General attached to Commander in Chief, Navy has been requested to prepare the ground organization necessary for this new arrangement. (For details see l.Skl. B.Nr. 9228/40 gkdos, War Diary, Part C, Vol. V.).

4 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

According to information received from Japanese military sources in London, there seem to be indications of a change in the attitude of British Government circles that have hitherto been unanimously in favor of continuing the war. The number of those who are averse to continuing the struggle is on the increase. The following reasons are cited:

1. Contrary to British expectations, the United States will not enter the war.
2. The United States have recognized the Petain Government.
3. The French colonies are obeying the orders of the Petain Government.
4. Hope of blockading Germany has waned as a result of France having broken away from the Allied Front.

Sir Samuel Hoare, former Foreign Minister and present Ambassador in Madrid, is advocating a more moderate course.

General Gort has been in Casablanca for a day, in conference with General Noguès; the results are unfavorable for Great Britain. A statement has been issued by the London Ministry of Information on the seizure of the French naval forces in British ports and the surprise attack against the French Atlantic Fleet in Oran (see copy 0600).

France:

The French Government intends to convoke a National Assembly for the purpose of revising the French constitution. The major changes to be made are reported as follows:

- a. the people's representation is to be reformed on the principle of the three estates.
- b. the executive powers of the Government are to be more firmly established.

Minister Flandin has placed himself at the disposal of the German civilian administration.

4 July 1940

CONFIDENTIAL

Denmark:

The Danish Government is about to undergo a fundamental change primarily due to pressure from the National Socialists and the Peasants' Party.

Minister Stauning has proposed to the King the formation of a new cabinet with Scavenius as Foreign Minister. (Scavenius was Foreign Minister during World War I and is a sincere pro-German.) All parties are to be combined into a single body.

Russia:

The Lithuanian Army has been changed into a people's Army; commissars and a propaganda department have been introduced.

Russia/Rumania:

The occupation of Bessarabia and Bucovina by Russia has been completed (10 armored brigades, approximately 20 divisions).

Despite the conclusion of this military operation, normal conditions have not yet been reestablished in the Balkan area; anxiety prevails everywhere as to steps that may be taken by Hungary and Bulgaria.

There are indications of military measures by Turkey towards the Bulgarian/Turkish frontier. (Danger of repercussions on the Rumanian oil-fields.)

Japan:

Hongkong has been completely cut off from the Chinese hinterland. It may be blockaded from the sea at any time by Japan.

Preparations are apparently being made by the Japanese to invade Indo-China. (See Political Survey No. 154, Para. 11).

United States:

The frequent reports of an Anglo-American Naval alliance in the Pacific are most unlikely. The Americans are prepared in principle to protect British interests in the Far East, but there is no idea of concluding a far-reaching agreement that would commit Roosevelt's policy for a long period.

4 July 1940

CONFIDENTIAL

Situation 4 July

Special Reports on the Enemy

The following French vessels have been seized by the British in Channel ports (according to British data, Churchill's statement in the House of Commons): PARIS, COURBET, 2 light cruisers, 8 destroyers, some submarines (approximately 20) including the SURCOUF, 200 minesweepers and submarine chasers.

To the British the large number of small vessels is of prime importance.

On nearly all ships and craft seizure was effected without resistance, only aboard the SURCOUF two men were killed and several injured.

Atlantic:

Great Britain:

In view of the incidents in Oran, all naval forces received orders at noon to regard all French forces as hostile, to be prepared for attack but not to fire the first shot.

The effect of events in the Western Mediterranean is evidenced everywhere by the large number of urgent radio messages being transmitted.

Movements of Naval Forces:

The REVENGE put out from the Clyde presumably for the area west of the Channel. The cruiser BELFAST left for the same area on 28 June after lying in Rosyth dockyard since November 1939.

The FIJI put out from Fort de France at 0025. The DRAGON sailed around the Cape from the Indian Ocean and is at present operating along the west coast of Africa together with two auxiliary cruisers.

France:

The French Admiralty has instituted measures for protection of bases in North Africa and overseas. The approaches to Casablanca and Dakar are to be safeguarded by the North African air forces, submarines and the new battleships JEAN BART (Casablanca) and RICHELIEU (Dakar). The two battleships have received provisional

4 July 1940

CONFIDENTIAL

orders to remain in these ports. Submarines and planes are to attack all approaching British warships. Commanders in foreign waters have been ordered to ensure that their ports are strictly guarded against the British. The BEARN and the JEANNE D'ARC and other warships stationed in the West Indies have received orders to await further instructions at Point à Pitre.

The French delegation of the Armistice Commission announces the results of the battle of Oran as follows:

The DUNKERQUE, MOGADOR, PROVENCE on fire in harbor; BRETAGNE struck a mine; STRASSBOURG, 5 large destroyers, torpedo boats and submarines have broken out. The forces have orders to assemble in Toulon.

At the same time the French delegation requests:

1. Temporary suspension for the Navy of the regulations of Article 8 (demobilization and disarmament) until the situation has become stabilized.
2. Permission for French forces to pass through the Straits of Gibraltar, in case this should be necessary in the course of present engagements.
3. Release of naval personnel imprisoned in Rochefort, together with official files.

In reply to an inquiry by the Armistice Commission, Naval Staff has declared itself in favor of suspension of the disarmament regulations for the French Fleet until further notice.

In agreement with Fuehrer Headquarters and Naval Staff, the French have been informed by the Armistice Commission that their requests will be complied with. Permission to pass Gibraltar will also be given for French merchantmen.

North Sea/Northern Waters:

No enemy movements were detected in northern waters. Along the British east coast the cruiser AURORA has appeared as an addition to the patrol forces. Along the east and particularly the southeast coast there are numerous destroyers including some of the modern TRIBAL class and some of classes K and J on patrol and escort duty.

Submarines were detected and engaged 60 miles north of Halten (plane from the NUERNBERG, two bombs close to submarine, oil patch),

4 July 1940

CONFIDENTIAL

30 miles southwest of Egeroe (reported destroyed by the 11th Patrol Boat Flotilla) and 30 miles west of Feistein (by forces of Commander, Naval Air).

Neutrals:

The Swedish destroyer unit lying in Kirkwall was taken over by the Swedes and is to put out for Thorshavn on 5 July at 0200.

Anti-submarine nets were laid at both ends of the Panama Canal.

Own Situation

Atlantic:

Ships have been advised of the situation concerning the French Fleet and of enemy movements.

The tanker ESSO, which was destined for the Far East to pick up whale oil and which it was planned to use as supply ship for Ship "45" on the Siberian route, touched ground near Vonflua lightship and is out of commission (most of the tanks are leaking; further passage impossible).

Naval Staff will not provide a replacement for the ESSO for the following reasons:

Ship "45" will be able to cover an adequate distance even without the assistance of the ESSO; in East Asia supplies can be furnished from the large Etappe Japan; no other suitable vessel can be made available sufficiently quickly (she would have to be in Warneck Bay by 15 July).

Group West has received orders to route Ship "45" past the tanker in order to take over the polar equipment she is carrying. (See teletype 1600).

Norway:

The NUERNBERG with Commanding Admiral, Scouting Force and the DITHMARSCHEN put out for independent exercises in Trondheim Fjord. Repairs to the GNEISENAU are progressing according to schedule.

4 July 1940

CONFIDENTIAL

The JAKOBI's gears are out of order and her speed is down to 30 knots.

The tanker ESSO has been ordered to Bergen after having touched ground near Vonflua.

A convoy consisting of 15 steamers taken in prize put in to Kristiansand.

Channel:

PT boats did not operate during the night of 3 July, as no targets had been detected during reconnaissance of the Channel that evening.

France:

The removal of the garrison forces and their arms from the island of Ouessant is in progress. Ile de Croix, where there are 500 German prisoners of war, has fallen into our hands.

Skagerrak/Kattegat/Western Baltic:

Ship "45" escorted by two minesweepers was off Kjels Nor on 5 July at 0500 about to put out through the Great Belt.

Transports are running on schedule.

At noon two enemy planes entered the Eiderstaedt-Brunsbuettel area. Bombs were dropped near Kilometer 6 on the Kiel Canal. Enemy planes entered Danish territory during the night of 4 July, particularly the Belts; mines are presumed to have been dropped; bombs were dropped on Kiel, the eastern shore of the estuary and the harbor. Four bombs were dropped in Gaarden, one plane was shot down.

Submarine Situation

U "51" returned from long range operations; U "99" reached the operational area.

In the Atlantic operational area: U "A" and eight other submarines.

4 July 1940

CONFIDENTIAL

In the North Sea operational area: U "56".

On return passage: 4 submarines to Heligoland Bight, U "62" to Bergen.

U "A" is transferring her operational area to the region north of the Cape Verde Islands and has been advised of the presence of two Italian submarines north of 20° N and east of 20° W.

Upon inquiry, U "30" received orders to put in to Lorient on 7 July as the first submarine.

Submarine Successes:

U "30" sank five steamers totaling 31,000 G.R.T., U "38" sank 34,400 G.R.T. (put in on 3 July).

Mediterranean

See Situation Mediterranean.

Task Force "H" is on its return passage to Gibraltar. The planned air attacks were not carried out because of bad weather.

Group STRASSBOURG was reported by Italian planes to be off the west coast of Sardinia on northerly course, presumably en route to Toulon. The defense of Toulon has been prepared.

All war measures have been resumed in North Africa. Forces in Toulon put out in the direction of Ibiza on the morning of 4 July (to pick up the STRASSBOURG?). The Alexandria forces cannot leave, even if engaged in battle, because of the unfavorable anchorage; they intend to stand by for defensive action and, if need be, for scuttling.

Italy:

Berbera (British Somaliland) was bombed on 30 June; harbor installations were hit.

A cruiser division is at sea on escort duties in the Central Mediterranean.

4 July 1940

CONFIDENTIAL

Submarines GALVANI and TORRICELLI must be considered lost
(Indian Ocean).

Air Situation

See Air Force Events of the Day.

Attacks on convoys in the Channel area and the Bristol Channel;
nuisance raids on targets in Southern England.

Approximately 50 to 60 planes flew over the Ruhr district,
concentrating on Hamburg - Bremen - Hanover.

5 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Speech by Mr. Churchill in the House of Commons: account of events in Oran. Critical comments on the defensive attitude of Italy. Then, with special emphasis, Mr. Churchill refuted all peace rumors said to have been spread by German propaganda and called on the British people to make a stand against the apathy and anti-war tendencies observed in certain circles. He concluded his speech with an assertion of firm determination to continue the war and said:

"The very drastic and regrettable action that we had to take recently at Oran should wipe out any thought of our readiness for peace. No, gentlemen, we do not think of negotiation, we do not think of peace. On the contrary, we shall continue the war with the utmost force and with all resources available to a victorious conclusion."

According to Reuter, there was at first an atmosphere of gloom and depression in the House, which was only relieved when Mr. Churchill emphasized with great stress the country's resolve to carry the war through to victory.

Ireland:

The Irish Government again refused a British request for planes being delivered from America to Great Britain to fly over and land upon Irish territory.

France:

Diplomatic relations with Great Britain were broken off. Marshal Petain considers England's cause to be lost.

Norway:

Members of the presidency of the Storting have asked King Haakon to renounce his own and the Royal Family's right to the throne by 12 July. It is planned to convene the Storting on 15 July, announce the abdication of the Royal Family, though retaining the principle of Kingship, dismiss the old Government and set up a new Reich Council with special powers. Quisling has resigned his post as the leader of the Norwegian Nazis.

5 July 1940

CONFIDENTIAL

Russia/Rumania:

Further advances by the Russians are feared to be imminent, with the aim of imposing Bolshevism in the Balkans. Rumania is in a difficult position since she is threatened by Hungary and Bulgaria in the rear. Danger of communistic uprisings and anti-Jewish pogroms. The population is afraid of Russia, and feels that help can now come only from Germany.

For details see Political Survey No. 155.

Russia:

Information received from Athens that the Russians will again attempt to raise the question of the Straits (Dardanelles and Bosphorus, Tr.N.)

Conference on the Situation with Chief, Naval Staff

- I. During the night of 2 July, the PRINZ EUGEN was hit by a bomb; her completion, scheduled for the end of July, will thus be delayed by 4 to at most 8 weeks. (For details see teletype 1305.) There is at present a strong concentration of heavy ships in Kiel (SCHARNHORST, KÖLN, ZEPPELIN, LÜTZOW, PRINZ EUGEN and, later, GNEISENAU in dock). The ships must be dispersed immediately or the dockyard will become an even more attractive target for the Royal Air Force. Therefore, Chief, Naval Staff has ordered immediate consideration of transfer of the GRAF ZEPPELIN to the east (Danzig) and of the PRINZ EUGEN to Swinemünde.
- II. Report by Chief, Operations Branch on the sector of Admiral, Northern France.

Fortunately this sector is already in good order. Defense readiness is satisfactory, except at Cherbourg where coastal fortifications had been largely destroyed.

At Brest some degree of defense has been organized and anti-aircraft protection is available; at Lorient there are two anti-aircraft batteries. Two French Admirals are still on official duty and their cooperation with our Admiral is satisfactory. A naval battalion has been requested for the

5 July 1940

CONFIDENTIAL

Gironde area. In the estuary there are 130 steamers and 30 prizes and considerable stocks of material in the ports. Excellent cooperation with the Air Force and Army.

- III. Chief, Naval Staff has inspected ports on the East Baltic coast. The occupation of Norway and the coasts of the Channel and the Bay of Biscay has resulted in large-scale withdrawal of coastal batteries from the Baltic bases and it will be necessary for reinforcements to be sent to this area. Expansion of port facilities in the east must be speeded up.
- IV. Report by Chief, Operations Branch on the first directive of Armed Forces High Command concerning the conduct of war against Great Britain (see OKW, WFA/Abt. L. B. Nr. 33124/40 gkdos. Chfs.).

1. The Fuehrer has decided that, given certain conditions, (the most important of which is establishment of air supremacy) a landing in Great Britain will be feasible. The date of the operation will remain open. Preparations must be started as early as possible.
2. The following data have been requested of Armed Forces High Command as soon as possible:

Army:

- a. Estimate of the strength of the British Army for the next few months.
- b. Study of artillery operations from the mainland as additional protection for assembly of shipping and of transports (in cooperation with the Navy).

Navy:

- a. Assessment of possibilities of landing by strong Army forces (25 to 40 divisions) and anti-aircraft formations.
- b. Choice of sea area and means of providing adequate protection for troop and supply transports (landing on a wide front to facilitate penetration by the Army).
- c. Type and amount of transport space available and time required to make ready.

5 July 1940

CONFIDENTIAL

Air Force:

- a. Estimate of whether and when decisive air supremacy can be established.
 - b. Study of the possibility of supporting the invasion with airborne troops.
3. At first theoretical preparation, examination of composition of the landing forces, restricting and utilizing transport space to the best possible advantage. The forces must be superior in number to the British troops (armored formations, motorized units, heavy anti-aircraft units).
4. It is to be kept in mind that the plan has not yet been set up and the above preparations are at present provisional.
-

Situation 5 July

Special Reports on the Enemy

Atlantic:

Great Britain:

The REVENGE is in the eastern part of the North Atlantic, presumably on escort duty. At 0600 Gibraltar was attacked by French planes. Intelligence Center, Spain reports that Task Force "H" has put out to the west.

In view of events at Oran, Commander in Chief, Mediterranean considers war with France to be imminent.

The British Admiralty has ordered all Dutch and Norwegian ships not to call at French ports; if necessary they may call at a British port to receive further orders.

The cruiser CANBERRA and gunboat PARALATTA are en route from Australia to the East Indies.

France:

In a long Order of the Day, Admiral Darlan expresses his thanks

5 July 1940

CONFIDENTIAL

and gratitude to the French Fleet for its heroic fight and describes the British action as a cowardly attack. (See teletype 1950, War Diary, Part B, Volume V.)

Contrary to instructions issued on 3 July, the French Admiralty has ordered that British warships shall not be attacked as a reprisal and British merchantmen are to be captured only if they enter the prohibited 20 mile limit. Despite the fact that diplomatic relations with Great Britain have been broken off, the French are to remain on the defensive and incidents with powers allied to Great Britain are to be avoided.

The Armistice Commission has the impression that, after a short lapse of time, the French will be willing to take reprisals against the British with all means still available to them.

The forces in the West Indies anticipate an engagement with superior enemy forces and are considering assigning the cruiser JEANNE D'ARC to defend their bases there. (Also see Situation Mediterranean).

North Sea/Northern Waters:

No enemy movements were reported in northern waters. The cruisers BIRMINGHAM, SHEFFIELD, AURORA, CARDIFF, destroyers of six different flotillas, gun boats and patrol vessels are on escort and patrol duty along the British southeast coast. Three convoys were reported.

A plane destroyed a submarine 45 miles west of Feistein; another submarine was attacked by three Do 18 planes belonging to Coastal Patrol Group, Stavanger, 35 miles west of Feistein. The submarine was unable to dive and surrendered after repeated attacks; attempts are being made to tow her in.

Own Situation

Atlantic:

No reports received from the auxiliary cruisers. The ships were informed on the development of the situation between Great Britain and France. (See teletype 1255).

5 July 1940

CONFIDENTIAL

At 0400 Ship "45" was off Kjels Nor, outward bound.

Norway:

A supplementary report states that on 21 June the British Admiralty warned ships and authorities in northern Scottish waters of a British minefield in the Karmsund (south of Haugesund).

An aircraft carrier was reported off Aalesund; this was an erroneous report and was withdrawn shortly after.

The GNEISENAU's plane bombed an enemy submarine 40 miles north of Halten. For anti-submarine activity in the Feistein area see Reports on the Enemy.

The tanker ESSO delivered oil in Bergen and put special equipment for Ship "45" into store.

North Sea:

During the night of 5 June Wilhelmshaven was raided. Eight bombs were dropped without causing substantial damage (lock area, fitting out stores, building yard). Other attacks were made on Hamburg. Minelaying suspected in Jade and Elbe rivers.

Channel:

During the night of 4 July, there was a sortie by the 1st PT Boat Flotilla in the area east of Portland. PT boat S "26" sank a tanker of 12,000 G.R.T. and a steamer of 8,000 G.R.T.; S "20" sank two steamers each of 5-6,000 G.R.T. S "19" had misses due to evasive actions.

According to radio intelligence the British steamer BRITISH CORPORAL (6,972 G.R.T.) and the Dutch steamer BRITSUM (5,273 G.R.T.) were among the steamers sunk.

Group West has ordered the 9th Air Division to concentrate its aerial mining activities in the Thames, Liverpool and Bristol Channel areas. During the night of 2 July Ostend and Zeebrugge were attacked by planes without result.

5 July 1940

CONFIDENTIAL

On 19 June, and also subsequently, drifting mines, (dimensions 45 x 25 cm.) with extremely sensitive fuses, were dropped by planes in canals in the Brügge - Ostend area. The mines float below water level. Up to now rendering inactive and salvaging have been impossible. The best method of disposal would be by hand grenade, rifles and machine guns. The best protection for bridges and vessels would be by fishing nets and booms.

Skagerrak/Kattegat/Western Baltic:

Transport traffic according to plan.

Ship "45" has been delayed; at 0600 on 6 July she was west of Skagen. At noon on 7 July the tanker ADRIA is to leave Kiel for Trondheim.

The 11th Minesweeper Flotilla carried out a check sweep off Skagen.

Group Baltic has ordered the sweeping of Jade 4 barrage, since, in view of the frequent enemy air raids in the southern outlet of the Great Belt, the route over this deep barrage must be constantly checked with cable remote clearance gear.

During the night of 5 July there was a raid by 21 planes in four waves coming from the area of Flensburg and south of Rendsburg. No raid on Kiel. The planes circled Kiel Bay for a considerable time. Thirteen bombs were dropped, most of them duds.

Submarine Situation

U "47" and U "28" returned from operations. U "62" put in to Bergen after eight days in the operational area; little traffic was encountered; one tanker was torpedoed but sinking was not observed.

U "56" is shifting her operational area from Kinnaird Head to the Minch area.

No changes in the Atlantic operational area.

The importance of British ore shipments from northern Spain (Bilbao) following elimination of other European sources has been pointed out to Commanding Admiral, Submarines. (See Radiogram 1200).

5 July 1940

CONFIDENTIAL

Submarine Successes:

The British steamer MAGOG (2,053 G.R.T.) was fired on south of Ireland. Including the ARANDORA STAR, U "47" has reported ten steamers sunk, bringing the tonnage sunk by this boat up to 66,600 G.R.T.

Total sinkings of U "51", 40,311 G.R.T. (see brief Report 2137). Commanding Admiral, Submarines summarizes the tonnage sunk since 20 May (resumption of submarine warfare in the Atlantic) as follows: 454,317 G.R.T. of merchant shipping plus 71,674 G.R.T. of auxiliary warships; approximately 60,000 G.R.T. merchant shipping damaged. Total result: 585,991 G.R.T. (see teletype 1110).

Mediterranean

On the evening of 4 July the STRASSBOURG with three large destroyers entered Toulon.

The French Admiral in Alexandria, on board the DUQUESNE, plans to embark personnel to be returned to France, especially all reservists, on the mail steamer PROVIDENCE (11,900 tons) and requests orders as to the port to which the ship is to sail and what measures are to be taken for her passage.

Evidently difficulties have arisen among the French forces at Alexandria due to a wavering in the attitude of parts of the crews.

A French gun boat was torpedoed north of Algiers by an unidentified submarine.

No special reports from the Italian Navy.

Marshal Badoglio is reported to have asked the French Government for permission to establish an Italian air base in Algiers. (The possibility of our own forces operating from the North African area is under consideration.)

After discussion with the Italian Naval Staff and with Commanding Admiral, Submarines, the Chief of the Liaison Staff submitted a report on Italian submarine warfare (see l.Skl. 9631/40 gkdos.).

1. Estimate of the situation at the time of entry into war:

Despite the great number of submarines, chances of success were prejudiced by the already established defense of enemy bases, sea routes and supplies, enemy experience in anti-submarine defense and geographical conditions in the Mediterranean (submarines have to proceed and operate close to the enemy coast).

2. First operation: The majority of the submarines was sent out on reconnaissance for subsequent attacks. Convoys were detected only at both ends of the Mediterranean.

The first operation achieved only single successes in the west. Only one submarine succeeded in breaking through to the Atlantic (anti-submarine defense off Gibraltar). The Red Sea presents many difficulties due to the great heat; continuous operations here dubious owing to over-strain.

3. Besides those in the Red Sea several submarines were also lost in the Eastern Mediterranean; others were damaged by depth charges mostly from British defenses and the Royal Air Force.

4. The new organization takes into account the fall of France. From 8 July one boat will be northwest of Casablanca, and one off the Canaries.

5. High assessment of British defenses, danger from the air and first war experiences led to great restrictions for commanders as to their conduct in the operational area and while under way (surface cruising prohibited by day near foreign coasts; careful use of the periscope).

6. Previous successes mostly obtained on the surface. Lack of results in submerged attack due to: state of training of commanders and crews not yet up to standard; restrictions imposed.

7. In the opinion of the Italian Admiralty, large scale operations in the Atlantic are rendered impossible at this time by British patrol system off Gibraltar. Therefore, it is desirable to attack Gibraltar from Spain as soon as possible; cession of a French Atlantic port desired for subsequent operations. There are now approximately 30 submarines in question for use in the Atlantic.

5 July 1940

CONFIDENTIAL

Air Situation

See Air Force Events of the Day.

Attack on a convoy south of Falmouth; one steamer sunk, several others hit. During the day nuisance raids on six groups of targets in southwest and central England; during the night raids on several large fuel depots.

Several enemy planes flew over the Heligoland Bight during the day and numerous flights were made during the night over Kiel and Wilhelmshaven.

6 July 1940

CONFIDENTIAL

Items of Political Importance

The Fuehrer returned from the western front and was given an enthusiastic welcome in Berlin.

Great Britain:

The British Home Secretary announced a number of new security measures (e.g. surrender of guide-books and maps by foreigners, the flying of kites and balloons prohibited) indicative of the nervous state of public life. Many areas of southern England are prohibited.

France:

In connection with the breaking off of diplomatic relations, the French Chargé d'Affaires in London, M. Cambon, again raised a strong protest on the afternoon of 5 July against events at Oran. He informed the British Foreign Office that he has submitted his resignation to his Government.

Hostile actions by the Syrian population against the French are increasing. General Mittelhauser is loyally obeying the orders of the Pétain Government. Chief Commissioner Puaux is willing to continue the fight.

Fights have occurred between Polish troops and the French.

Holland:

Public opinion is alarmed by measures necessitated by the war, such as severe rationing of food. The Dutch population is far less amenable to the situation than the Belgians. The idea of the new European Order is gaining little ground.

General Winkelmann (recently relieved of his post) is said to have maintained contact with the Prince Consort. The Fuehrer has ordered him to be sent to a concentration camp.

Baltic States:

The general trend in these States is increasingly Bolshevistic. Daily demonstrations. Well-dressed people have disappeared, while many ragged figures are to be seen. To all appearances it is the

6 July 1940

CONFIDENTIAL

same story as in 1918. It is not so much the Russians as the Lithuanian and Latvian communists who are the instigators and wish to stage a type of communistic people's movement.

Orientation of foreign policy towards Russia is regarded as unavoidable.

In Estonia there is great hope that, in view of her economic interests there, Germany may oppose the Bolshevik tendency.

Denmark:

Re-formation of the Government has brought no progress towards a rapprochement with Germany.

Rumania:

The Rumanian Government has been orientated towards Germany, but the new cabinet lacks uniformity and is presumably only a transitional cabinet.

The German Ambassador in Bucharest flew to Bessarabia in order to reassure the German population there. As a first step, 8,000 Bessarabia-Germans are to be evacuated. The situation is still serious. Russian peasants have seized German farms in some places. (Also see Political Survey No. 156.)

Pan-America:

In Argentina, the numerous calls of large American warships at South American ports are arousing resentment.

Assessment of the events at Oran conform mainly with the general attitude of the respective countries. Italy, Spain and Sweden have severely censured the British action, while the United States approve or find excuses for Mr. Churchill's policy.

Conference on the situation with Chief, Naval Staff

Chief, Naval Staff ordered the aircraft carrier GRAF ZEPPELIN to be transferred to the east where her engines are to be completed up to the care and maintenance stage.

6 July 1940

CONFIDENTIAL

Situation 6 July

Special Reports on the Enemy

Atlantic:

The orders issued by the French Admiralty to its naval forces have been communicated to all British naval forces. The British are thus able to decode French radio communications. A cruiser has been off Fort de France since 4 July. After receiving information on the orders issued to French forces by the French Admiralty, the cruiser withdrew to 20 or 30 miles off the coast.

The Admiralty denies the torpedoing of the aircraft carrier ILLUSTRIOUS (by U "46").

France:

The supply situation of the French garrison at Fort de France is difficult.

In answer to an inquiry Admiral, Antilles was ordered by the French Admiralty to use the planes of the aircraft carrier BÉARN to defend Martinique and, if need be, to complete the complements of the coastal batteries from the crews of the BÉARN and the other ships.

Armistice: On the evening of 5 July Admiral Weichold in Rome requested clarification as to the extent of freedom of action restored to the French Fleet by the provisional suspension of Article 8 of the Armistice treaty.

On the basis of the present situation, the views of Naval Staff were laid down as follows:

1. Operational freedom of action for the French Fleet is to be of a defensive nature only. With the provisional suspension of Article 8 the French Fleet is entitled to defend itself against British attack.
2. For defensive purposes, tactical offensive operations (e.g. rendezvous position) are permitted.
3. The French Navy may not carry out purely offensive assignments.
4. Permanent suspension of Article 8 is not contemplated; rather, the measure is temporary. Its duration will depend on the military and political situation.

6 July 1940

CONFIDENTIAL

North Sea/Northern Waters:

Probably on the basis of a radio message from the British submarine SHARK, which was forced to surrender on 5 July, or on the basis of our own lively radio traffic in this area, light enemy forces, cruisers of the 18th Cruiser Squadron and destroyers of the 4th Flotilla were sent out from eastern Scottish bases to reconnoiter the area off Skudesnes. At 0900 four destroyers were reported 140 miles west of Lister heading towards Skudesnes Fjord and at the same time submarine U "56" reported one cruiser and three destroyers 80 miles west of Moss Head on southwesterly course. The British Commander, Submarines advised these forces that the submarine SEALION is still in the Skudesnes sector. (Thus SEALION is probably the second submarine destroyed 40 miles west of Feistein by an Arado plane; destruction certain.)

According to air reconnaissance, at 1330 approximately 100 miles east of Aberdeen there were also heavy enemy forces heading southwest. In the afternoon, the enemy forces were homeward bound to Rosyth, and were attacked several times by German planes.

The cruiser YORK and destroyers of the 5th Flotilla are on patrol duty along the British east coast.

Neutrals:

At 1400 the Swedish destroyer formation was approximately 100 miles northeast of the Shetlands. An escort officer is to be taken on board south of Ryvingen.

Own Situation

Atlantic:

The auxiliary cruisers were advised of the movements of enemy forces and U.S. forces in European (Lisbon) and South American waters.

North Sea:

The 5th Air Force sent out armed reconnaissance against reported

6 July 1940

CONFIDENTIAL

light enemy forces, in the course of which one hit each with SD 500 type bombs was scored on two 10,000 ton cruisers and two destroyers were hit with SC 250 bombs.

Patrol boats and submarines standing by the damaged British submarine were ordered to scuttle her and return to port. However, they had been unable to keep her afloat and she had already sunk after being underslung.

Ship "45" was temporarily directed to Kristiansand and, now that the return of the enemy forces has been observed, has set off again and will proceed 20 miles off shore to Skudesnes and then to Gravdal Bay (off Bergen) to take on special equipment.

Norway:

The GNEISENAU's plane engaged an enemy submarine north of the Frohavet.

The steamer LEVANTE with three minesweepers left Narvik for Trondheim. She is carrying destroyer personnel assigned to Norway and Army supplies.

Submarine chaser DORA sank off Gripholm after striking a mine.

Commanding Admiral, Norway reports that if boats of the 5th Motor Minesweeper Flotilla are detached, the minesweeper formation in Norway will no longer be strong enough to provide adequate anti-mine defense for the entrance to Trondheim (at this time two of the three approach routes are closed) and considers it urgently necessary to send adequate replacements. Group West and Commanding Admiral, Norway between them will arrange for new boats and new crews to sail to Norway two at a time to relieve the old ones, the crews of which, upon their return, will commission the next new boats. Weakening of forces in Norway will thus not occur. Relief of the 5th Motor Minesweeper Flotilla in Norway is impossible.

The torpedo battery Molde is reported to be ready for action. The Norwegian steamer ANNA SOFIE (3,100 G.R.T.) was set on fire by a British plane off the island of Stora.

The Norwegian steamer ALMORA (2,433 G.R.T.) struck a mine six miles south of Egersund. The presence of mines south of Egeroe had been reported by planes and fishing craft. The trawler KEHDINGEN, assigned to Base North, leaves Kristiansand at 0400 on 7 July for Bergen to deliver supplies (torpedoes) for the submarine base there.

6 July 1940

CONFIDENTIAL

Channel:

During the night of 5 July there was a sortie by the 1st PT Boat Flotilla into the area of Portland - Isle of Wight; PT boat S "19" sank a 6,000 ton steamer 30 miles south of the Isle of Wight.

Group West has been ordered to give priority to mine reconnaissance in the Strait of Dover so that the Channel may be utilized for the outward passage of submarines (see teletype 1500).

Minor enemy air activity; bombs dropped on Calais and Flanders.

France:

No coastal batteries serviceable for defense were found on the Channel Islands. Admiral, Northern France has asked the 3rd Air Force for anti-aircraft guns for Guernsey and Jersey as coastal defense.

Submarine U "30" was ordered to stand by at 0800 on 7 July off a fishing buoy laid off Lorient by the Motor Minesweeper Flotilla, from where anti-mine escort will be provided. On 4 July torpedoes and supplies were sent to Lorient.

Skagerrak/Kattegat/Western Baltic:

Transport traffic as scheduled.

Numerous enemy penetrations into the western part of the Baltic Sea; two planes flew as far as Warnemünde - Gjedser; one plane was shot down near Lübeck. For the first time an air raid alarm was sounded in Copenhagen. The eastern part of the Gjedser net barrage was taken up. Following an explosion, the Danish steamer GUSTAV (1,625 G.R.T.) sank 25 miles south of Elsehoved light, west of Langeland.

Submarine Situation

No changes.

Daventry announces that British planes claim to have sunk five German submarines. No substantiation of losses has been given.

6 July 1940

CONFIDENTIAL

Submarine Successes:

The crew of the Dutch steamer HALWORTH (1,906 G.R.T.), which was sunk by a submarine, arrived at Bilbao.

Successes of U "47" and U "28" (see brief reports): 66,600 G.R.T. and 18,860 G.R.T. respectively.

Mediterranean

See Situation Mediterranean.

Great Britain/France:

The report that Task Force "H" put out to the west is dubious as a French vessel reports a British aircraft carrier (probably ARK ROYAL) 20 miles north of Oran.

Another raid by British planes on the DUNKERQUE in Oran; the ship was hit six times; two planes were lost.

The British Alexandria Fleet is divided into several Task Forces:

Task Force "A": probably 1 cruiser;

Task Force "B": WARSPITE, 4 destroyers,

Task Force "C": MALAYA, ROYAL SOVEREIGN, EAGLE, 5 destroyers,

Task Force "D": 4 destroyers. Purpose of division not yet known.

Italy:

Enemy air raid on Augusta; no damage. In a raid on Tobruk the Italian destroyer ZEFFIRO was sunk; otherwise minor damage; three planes were shot down.

Air Situation

See also North Sea.

6 July 1940

CONFIDENTIAL

Owing to unfavorable cloud conditions, intruder raids were suspended. Off Portland 1 auxiliary naval vessel, 1 tug and 1 lighter were sunk; in Falmouth one 8,000 ton steamer was set on fire.

CONFIDENTIAL

7 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Speaking on 6 July the Lord Privy Seal, Attlee, again defended the Oran action and at the end of his speech attacked peace rumors. "National socialist Germany claims to be fighting for the poor against the rich. The new world order that it glorifies is nothing more than barbarism. In the battle for England the Huns would be repelled. Great Britain will fight this battle for mankind against the low instincts of the Nazis."

Ireland:

The Irish Government will not abandon its neutrality on any consideration, not even to regain Northern Ireland. British intrigues to provoke Germany into violating Irish neutrality and thus draw Ireland on to the side of Britain continue.

Finland:

Pro-German sentiment among the Finns is increasing rapidly. Efforts are being made to form a Government completely orientated towards Berlin.

On the other hand, German authorities point out that the German Government will honor its agreement with Russia and that it would be a mistake to count on armed German support against Russia.

Russia:

Great credence is given in Ankara and Sofia to reports that Russia is planning an advance on the Dardanelles in the near future. The Russians are expected to make the following demands:

- a. Pro-Russian orientation of the Turkish Government,
- b. Adjustment of the frontier in the Caucasus,
- c. Bases in the Dardanelles,
- d. Annulment of the Montreux Treaty.

The advance would presumably be made through Bulgaria. The Russians would, however, still need two more months to consolidate

7 July 1940

CONFIDENTIAL

their position in Bessarabia and to organize the advance via Bulgaria. The operation is expected to start before winter.

Situation 7 July

Special Reports on the Enemy

Foreign Waters:

Great Britain:

On 6 July, the aircraft carrier ILLUSTRIOUS went into dock in Bermuda (since she made the trip according to plan and carried out exercises for several days before entering Bermuda, a torpedo hit by U "46" is very unlikely).

On 5 July, the liner EMPRESS OF ASIA (16,909 G.R.T.) left Hongkong in convoy (the first convoy to be observed in East Asia).

France:

The North African air forces are operating in the area north of Casablanca. Submarines are off Casablanca and Dakar. The Admiralty expects a further British attack against French naval forces at sea or in port and has again issued orders to respond with force.

After being separated from commanders and staffs, officers of French vessels in British ports have been allowed to choose between returning to France immediately or fighting on the British side against Germany. The attitude of the French officers is uncertain. The French vessels, including the aircraft carrier BEARN, blockaded in Martinique expect a British ultimatum. The BEARN is said to have 100 American planes on board as cargo in addition to her own complement of 40 planes.

The French East Asia forces have been ordered to remain on the defensive until an agreement is reached on their completely neutral status in that area; this is expected to be concluded in the near future.

Information from the French Armistice Commission in Turin:

7 July 1940

CONFIDENTIAL

On 4 and 5 July, French seaplanes dropped bombs on British warships in Gibraltar; one hit was scored on a large warship.

Losses in Oran: BRETAGNE, 200 men rescued; DUNKERQUE and PROVENCE, 200 dead and wounded.

The DUNKERQUE, PROVENCE and MOGADOR are to be inspected with a view to possible restoration.

At Alexandria: the LORRAINE, 4 cruisers, 2 torpedo boats, 2 submarines.

North Sea/Northern Waters:

The cruiser GLASGOW is en route from Liverpool to Scapa.

On 8 July, an unidentified unit will be west of the Orkneys on exercises. Enemy submarines are reported as follows: two in the Frohavet area; minelaying submarine PORPOISE 90 miles west of Skudesnes Fjord en route to Rosyth; one northwest of the western declared area.

In reply to unofficial inquiries concerning British warship losses, members of the French Armistice Commission state that the British have always announced the losses of large ships at the same time as they inform the next of kin. Nothing is known of other losses.

Neutrals:

Five destroyers of the American neutrality patrol are lying off Martinique observing the British blockade. At 1700 the steamer WASHINGTON is to leave Galway. On 6 July the Swedish destroyer formation was attacked by British planes in the North Sea; four bombs, no hits.

Own Situation

Atlantic:

The auxiliary cruisers were informed as to enemy movements.

Norway/North Sea:

The steamer ALSTERTOR and two minesweepers entered Narvik. While

7 July 1940

CONFIDENTIAL

the ALSTERTOR is in Narvik, the 2nd Minesweeper Flotilla is to sweep the barrages in Rombaken Fjord and Hellena Fjord. Then the steamer is to be escorted back to Mosjoen.

So far the 5th Motor Minesweeper Flotilla has swept 46 mines of the Landegode barrage. The 1st Minesweeper Flotilla made an exploratory sweep off Gripholm. Ship "45" entered Bergen. The tanker ESSO is ready to return to Kiel.

After having struck a mine, the steamer ALMORA was towed to Egersund and beached.

During the night of 6 July Wilhelmshaven was bombed; no serious damage.

Channel:

During the night of 6 July there was a sweep by the 2nd PT Boat Flotilla into the area between Beachy Head and Dungeness; no targets encountered.

France:

Inspection of Nantes:

1. Three efficient dockyards.
2. Several destroyers in the first stage of construction. LE FIER, L'AGILE, L'ENTREPRENANT (about 50% complete) were towed out of Nantes on 17 June, destination unknown. Four submarines in the first stage of construction; further construction not worth while.
3. In port there are three French and one Swedish steamers.
4. Port facilities and quays are ready for immediate use.

Skagerrak/Kattegat/Western Baltic:

Twelve to fifteen enemy planes flew over Schleswig-Holstein, the Belt Bridge and Warnemünde; minelaying suspected.

Transport traffic according to plan.

At 1100 the tanker ADRIA left Kiel for Trondheim.

Report from Sweden on regular shipping traffic between Great

7 July 1940

CONFIDENTIAL

Britain and Sweden. (See teletype 0500.)

Submarine Situation

U "65" returned from long-range operations and entered Wilhelmshaven.

U "58" left the Heligoland Bight.

North of the Minch: U "56", and U "61"; south of Ireland to Bay of Biscay: eight submarines; area of the Cape Verdes: U "A"; on return passage: U "29" (northwest of Ireland).

Submarine Successes:

The British steamer MANISTEE (5,360 G.R.T.) was shelled by a submarine south of Ireland. The steamer reports that the submarine was camouflaged as a fishing vessel with sails.

News issued by Radio Bound Brook that the U.S. destroyer BARRY had been sunk by a German submarine was denied two hours later by the Navy Department in Washington.

Mediterranean

See Situation Mediterranean.

Great Britain:

Italian air reconnaissance reports 3 cruisers, 4 destroyers and 5 transports off Malta.

The British Fleet from Alexandria is at sea in two groups, one believed to consist of the WARSPITE and four destroyers and the other of light forces. The remaining forces in Alexandria (two or three battleships and the EAGLE) are expected to put to sea in the afternoon.

7 July 1940

CONFIDENTIAL

Italy:

The Italian Admiralty thinks it possible that the convoy reported by the Air Force may put out from Malta during the night of 7 July and be met approximately in the area 35° N, 17° E. by the naval forces from Alexandria.

The planned troop and supply transport convoy for Libya sailed as scheduled on 6 July, escorted by the entire Italian Fleet. At 0500 on 8 July the convoy will be in the area 35° N, 17° E. The Italian Admiralty thinks that it may encounter the enemy during the morning.

Air Situation

Attacks were made on convoys in the Channel and on merchantmen in the port of Weymouth; approximately three steamers sunk, several others set on fire.

Owing to bad weather, intruder raids in the Newcastle area were not carried out; the large fuel depot at North Klingholme and the station at Brighton were attacked.

There were approximately 50 enemy air flights into the Ruhr district as far as southwest Germany. One bridge over the Rhine was hit, but traffic was able to continue.

8 July 1940

CONFIDENTIAL

Items of Political Importance

Russia:

Many reports from abroad speak of a basic change in Russian policy and provocation of Germany. These reports all come from countries which hope for German assistance against Russia (Rumania, Finland, Sweden, the Baltic States, Italy).

On the other hand, the Foreign Office states that up to date the Russian Government has behaved correctly towards Germany and officially and immediately refuted all reports of unfriendliness.

Iran:

As a result of the progressive weakening of Great Britain's position in the Near East, the Shah of Persia has decided to orientate Iranian foreign policy towards Russia. Withdrawal of Iranian troop reinforcements from the northern frontier is regarded as a first gesture. The Russian demands refer to surrender of the northern provinces (establishment of airfields and control of the railroad) which were within the Russian sphere of influence in 1914 (Russo-British agreement).

Sweden:

Great Britain has demanded an explanation from Sweden of her decision to permit transit of German troops and material. In view of Sweden's attitude towards the Allies in the Finnish conflict, a strong British protest is to be expected.

Rumania:

The British Ambassador in Bucharest has asked the Rumanian Government for an explanation in regard to the expulsion of British subjects. He was told that the expulsion was ordered by the Rumanian Government and that his requested audience with the Chief of the General Staff would be refused. The British Ambassador will reportedly leave the country within the next few days as a protest.

There is internal unrest in Rumania. Mail services are in disorder, trains are jammed with refugees. Mobilization is being increasingly used as a means of maintaining law and order. British subjects living in Rumania are leaving the country.

8 July 1940

CONFIDENTIAL

United States:

The prospect of Roosevelt being elected for a third term has decreased. (For details see Political Survey No. 157.)

Situation 8 July

Special Reports on the Enemy

Atlantic:

About 0900 Gibraltar was bombed by planes. The vessels in the Freetown-Dakar area received a number of urgent operational radio messages which are presumably connected with the action against Dakar.

France:

The Commander of the British forces off Dakar (composition not yet known) has sent an ultimatum to the French Admiral similar in content to that issued at Oran. The French Admiral refused to reply and reported to his Government that he was standing by for action. Nothing is known as to the time limit of the ultimatum or whether fighting has begun. The RICHELIEU and the comparatively strong French coastal defenses of Dakar are ready for action.

The French Admiralty issued news of the British attack on Dakar to various forces and ordered that all British warships be attacked everywhere (even outside the 20 mile limit).

The forces in Martinique harbor (BEARN, JEANNE D'ARC and, according to the French Armistice Commission, also the EMILE BERTIN) are blockaded by British naval forces and likewise expect an ultimatum at any moment. Besides the above-mentioned ships, there are also said to be several submarines there and one billion dollars in gold from France, consigned to the United States, are reported to be on the island.

Armistice matters:

From a special source Naval Staff has learned that the French

8 July 1940

CONFIDENTIAL

delegation in Turin has expressed the desire to create zones in which only French submarines and planes should operate. As soon as the question of principle is settled, an attempt will be made to reach an understanding on the extent of such zones. The matter will not be submitted to Wiesbaden until settlement is reached in Turin.

On the evening of 7 July the French Admiralty expressed, through the Armistice Commission, its desire for restoration of freedom of action, even for offensive operations, to the French Fleet by the abolishing of Article 8. Naval Staff rejected this proposal and maintained the 20 mile limit. In the absence of any other political decision it cannot, in the view of Naval Staff, be to Germany's interest that the French should be accepted as allies in any way whatever. The French aim of obtaining major concessions in the peace treaty in view of joint action against Great Britain is only too clear. Naval Staff does not consider the measures taken by the Air Force, which has given permission for offensive action, to be satisfactory.

The Armistice Commission will be charged with ensuring coordination, through Armed Forces High Command, of the opinion of the three Services, especially between Naval Staff and Air Force General Staff. At the same time, Naval Staff will contact Armed Forces High Command direct, emphasizing the necessity of establishing the political basis for further negotiations with the French for the three Services, particularly between the Navy and the Air Force. A directive concerning these matters is awaited from Armed Forces High Command.

North Sea/ Northern Waters:

According to information from Lisbon the following British vessels were undergoing dockyard repairs on 15 June: NELSON, RODNEY, RENOWN, IRON DUKE, SUSSEX, PENELOPE, SOUTHAMPTON, BELFAST, GLASGOW, NORFOLK, ENTERPRISE, CURACAO, SUFFOLK, YORK, EXETER, AJAX, HOTSPUR, COSSACK, NUBIAN, KELLY, ESKIMO, PUNJABI, FAULKNER and NARWHAL.

There was a southbound convoy from Newcastle off the east coast of England.

Neutrals:

U.S.A.:

On 5 July the U.S. cruiser TRENTON and destroyers HERBERT and

8 July 1940

CONFIDENTIAL

DICKERSON left Lisbon, presumably bound for the U.S.

Own Situation

Atlantic:

Prize No. 1 of Ship "21" - the Norwegian tanker KROSSFONN (9,323 G.R.T., without cargo), home port Stavanger - entered Lorient on 7 July. The possibility of bringing prizes into French Biscay ports is thus confirmed.

The auxiliary cruisers were advised of the arrival of the prize, movements of enemy forces and political developments.

North Sea/Norway:

Commanding Admiral, Fleet transferred command of the naval forces in Trondheim to Commanding Admiral, Scouting Force.

The steamer ALSTERTOR, escorted by two minesweepers, left Narvik southward bound.

Commanding Admiral, Norway has closed the Griphoelen approach to Trondheim due to danger of mines. The barrage, which is a very shallow one, will first be swept by ship's boats of the 1st Minesweeper Flotilla.

At 2200 Ship "45" entered Bergen and will leave again at 0300 on 9 July.

Two boats of the 3rd Minesweeper Flotilla were attacked by enemy planes off Lindesnes. Mines are suspected in an area 20 miles southwest of Egeroe (within the 200 mile - meter (?) Tr. N. - line).

Channel:

A sweep by the 1st PT Boat Flotilla from Cherbourg produced no results. Owing to the brightness of the night, single boats were chased by enemy PT boats and destroyers up to 5 miles off Cherbourg.

Sweep by the 2nd PT Boat Flotilla from Boulogne into the areas south of Beachy Head and Dover; one patrol steamer was sunk off Dover.

8 July 1940

CONFIDENTIAL

Helder, Flushing and Rotterdam (Walhaven) were attacked by planes without success.

France:

Commanding Admiral, France has requested anti-aircraft defense for the Gironde estuary, Bordeaux, La Rochelle and Rochefort from the 3rd Air Force. The 3rd Air Force cannot assume this duty with the planes available. Main centers of anti-aircraft defense are Cherbourg, Brest, Lorient and the fuel depots in Nantes, Donges and La Rochelle.

Skagerrak/Kattegat/Western Baltic:

Transport traffic according to plan.

At 2300 the Swedish destroyer formation embarked a German escort officer south of Ryvingen. Further passage from Kristiansand (South) within the five mile limit up to Swedish territorial waters off Stroemstad.

Torpedo boat T "2" is reported ready for action by Commander, Torpedo Boats, and will at present be used in the Baltic Sea.

Ten enemy planes dropped bombs on the harbor of Aalborg; no military damage. No fighter operations were possible due to lack of planes; transfer of fighter and fighter-bomber formations is planned for the near future.

Raid on Kiel (about four planes); bombs hit Dock No. 5 in the naval dockyard and the cruiser LUTZOW near turret "A".

Submarine Situation

No changes in the operational area.

On 7 July U "30" entered Lorient.

The submarines were informed on the departure of British ore steamers from Bilbao.

Submarine Successes:

The Greek steamer ANNA (2,728 G.R.T.) and the Irish steamer

8 July 1940

CONFIDENTIAL

HIBERNIA (3,467 G.R.T.) sent out submarine distress signals.

U "34" reports sinking the destroyer WHIRLWIND, a naval tanker of the War class (11,660 G.R.T.) and an Estonian steamer.

For total successes of U "65" (returned 3 July) see brief report. (56,500 G.R.T.?).

According to Reuter, 143 Germans and 470 Italians (civilian internees or prisoners) died in the torpedoing of the ARANDORA STAR.

Merchant Shipping

The clearing of Narvik harbor will be undertaken mainly by the Ministry of Transportation. The Navy will clear only the surface before the quays and loading installations.

The German steamer LOTTE HALM (1,198 G.R.T.) off the southern tip of Gotland urgently requests assistance from a salvage tug.

Mediterranean

See Situation Mediterranean.

Great Britain:

At 2030 Task Force "H" (3 battleships, 1 aircraft carrier, 2 cruisers, 10 destroyers) was approximately 55 miles southeast of Almeria, course 85°, speed 17 knots.

The submarines PANDORA and PROTEUS are at sea in the western part of the Mediterranean.

The Alexandria forces put to sea for an operation which is to extend up to the area east of Sicily.

At 0600 on 9 July Forces "B" and "C" are to meet 200 miles north of Benghazi; at 1400, Forces "A", "B" and "C" will meet 120 miles

8 July 1940

CONFIDENTIAL

east of Cape Passero (Sicily) and will reach the following positions by 1800:

Task Force "A": 50 miles southeast of Cape Spartivento,

Task Force "B": 90 miles east of Syracuse,

Task Force "C": 90 miles southeast of Cape Passero.

Note: According to Naval Staff, the British plan to approach so close to the Italian coast is astonishing and can only be explained by the low esteem in which the fighting strength of the Italian Fleet and Air Force is held by the British.

Italy:

The Italian convoy is expected to arrive in Benghazi around 1900. The escort forces began their return passage at 1500. No operation against the reported enemy force is planned. It is assumed that the enemy too will avoid contact.

Air Situation

Both in the Channel area and along the east coast considerable concentrations of steamers were reported by air reconnaissance which confirms the fact that, due to congestion in western ports, the British are accepting the risks involved in passing through the Channel. The 160 steamers of an approximate total of half a million tons which were reported by reconnaissance must be considered as major shipping movements. The areas off the Thames, off Newcastle and off Lyme Bay are the focal points.

In attacks on convoys, hits were scored on a destroyer and two steamers; nuisance raids on an explosives factory south of Harwich, fuel depot at Portland and naval dockyard at Devonport.

Approximately 51 enemy air intrusions up to the line Wismar/Celle.

Mines were laid by the 9th Air Division in the Thames estuary and east of Ramsgate.

The following report by the 2nd Air Force on the condition of

8 July 1940

CONFIDENTIAL

Dunkirk harbor was submitted to General Staff:

Due to the destruction of the main sluice (by the enemy) the harbor is open to the tides. When the water runs out of the harbor basin at low water, the earth behind the quay walls in all otherwise undamaged basins begins to wash away, so that the harbor basin becomes completely useless.

Note: This point is particularly important as it reveals the value of destroying sluices to render harbors useless.

A suitable operation against the large British ports would have good prospects of success (great rise of the tide in British ports).

Coastal Patrol Group 806 will be attached to the 3rd Air Force as of 10 July and will be subordinated to the dive-bomber formations there in operations against shipping.

Items of Political ImportanceNorway:

The King of Norway has refused the request of leading members of the Storting to return to Norway. As long as Norway is occupied by foreign troops and consequently unable to live a free political life as provided by the constitution, neither he nor his ministers will return to the country (Daventry). The attempt to induce the King to abdicate must therefore be regarded as having failed.

Great Britain/France:

General de Gaulle's broadcast on 8 July on the events at Oran shows clearly that even this pro-British Frenchman regards the surprise attack as disgraceful. He said:

"There is not one Frenchman who heard of the sinking of French vessels by our Allies without feelings of grief and indignation. The British nation must respect these feelings and I have to request it to refrain from any representation of this infamous tragedy as a naval victory. Such a statement would be unjust, for it cannot be regarded as a special achievement since the ships were not ready for action."

South Africa:

In the Transvaal there were popular anti-war demonstrations.

The churches in South Africa are also appealing for cessation of hostilities.

Since the Armistice with France, there is deep despondency in the Smuts Government.

Baltic States:

By direct orders from Moscow, election day in all three Baltic States has been advanced to 14 July (date of the capture of the Bastille).

The elections are everywhere regarded as the first step towards freeing Latvian workers. Influential Russians openly state that, after that, complete annexation to the Soviet Union will not be long delayed.

9 July 1940

CONFIDENTIAL

Syria:

Since the collapse of the French Army in Syria, the political situation has become confused.

Both the British and the Turks are making military preparations for the occupation of Syria in case of need. Furthermore re-establishment of a national Arab Government in Damascus is desired and the hope is also expressed that the French Mandate Government may strengthen its own position by re-establishment of a national Government and thus prevent or complicate the occupation of Syria by the British or Turks.

Iran:

Reports of a Russian invasion of Iran have not yet been officially confirmed.

U.S.A.:

According to a "Stefani" dispatch Roosevelt has now made up his mind to accept nomination for a third term.

On 7 July Roosevelt made a sensational speech in which he announced the principle of non-intervention by the United States in the affairs of Europe and Asia.

See Political Survey No. 158.

Conference on the Situation with Chief, Naval Staff

In view of enemy air raids on naval bases, Chief, Naval Staff has ordered wide dispersal of all large stores of weapons and equipment in order to keep inevitable losses (e.g. in torpedoes) as low as possible.

In the opinion of Naval Staff, the only effective way of counter-acting these serious enemy raids would be to attack British air bases.

9 July 1940

CONFIDENTIAL

Situation 8 July

Special Reports on the Enemy

Atlantic:

Great Britain/France:

The REVENGE is in the central part of the North Atlantic.

On 8 July two British transports carrying white and colored troops, apparently in French uniforms, arrived at Lisbon.

Since 8 July the HERMES, the AUSTRALIA, DORSETSHIRE, CORNWALL and one or more gunboats have been operating in the Dakar area.

In a speech in the House of Commons, the First Lord of the Admiralty announced that the RICHELIEU was seriously damaged in Dakar by a depth charge dropped under her stern by a British motorboat and by a subsequent torpedo attack by British planes. The battleship is in the harbor, listing to starboard and with her stern submerged.

According to press information, French coastal batteries at Casablanca shelled the British destroyer WITSCH and the submarine UNITY.

The Attache in Tokio reports: Twelve British 10,000 ton tankers, escorted by small warships, left Bombay on 23 June.

Some British warships are operating on escort duty in the area between Simonstown and Colombo as well as between Colombo and Penang.

Commander, China Station ordered all warships in his area to refrain from any hostile action against French warships. French merchantmen may be questioned at sea but are not to be seized. British ships are not allowed to approach within 20 miles of the French coast. According to a "Hannibal" dispatch, Commander, China Station has approached the French Admiral, Far East in an effort to reach a friendly agreement for the avoidance of hostilities between Great Britain and France in the Far East.

North Sea/Northern Waters:

Besides destroyers and patrol vessels, the cruiser AURORA is on

9 July 1940

CONFIDENTIAL

patrol duty along the southeast coast.

Two submerged submarines were reported by the NUERNBERG's plane 30 miles northwest of Halten; one submarine was attacked by minesweeper M "16" southwest of Lindesnes.

Channel:

Four enemy submarines, including the Dutch submarine Z "6", were south of Portland presumably en route to Bristol.

Neutrals:

U.S. destroyer BARRY in Bilbao.

Own Situation

Atlantic:

The auxiliary cruisers were informed of enemy movements.

The Iron Cross IIInd class was conferred on the commanders of Ships "16" and "36", and 30 members of each crew.

Norway/North Sea:

The convoys ALSTERTOR and LEVANTE arrived at Mosjoen.

Salvage work on the steamer PALIME was suspended due to an explosion aft.

Mines are suspected in the area 20 miles southwest of Egeroe, due to reports from planes of white buoy-like submerged bodies at intervals of 100 meters in the said area.

At 0400 Ship "45" left Bergen.

In the evening the tanker SCHWARZES MEER entered Bergen. The tanker ADRIA is en route from Kristiansand to Skudesnes. In the Elbe estuary mine-exploding vessel "4" swept a British aerial mine.

The 5th Torpedo Boat Flotilla made an exploratory sweep on Routes "1" and "1a": no mines were detected.

The towed convoy of the Dutch submarine "08" is en route to the Elbe.

9 July 1940

CONFIDENTIAL

Channel:

Owing to bad weather there were no PT boat operations.

France:

It is planned to transfer a squadron of Do 18 planes speedily from Sylt to Brest for cooperation with submarines.

The submarine base at Lorient urgently requests that the prize steamer KROSSFONN which entered that port be left there. She has been made available for the purposes of the base.

Skagerrak/Kattegat/Western Baltic:

From 0700 to 1400 the Swedish destroyer formation was in Kristiansand and on the morning of 10 July it will enter Swedish territorial waters west of Stroemsand.

Transport and convoy traffic as scheduled.

No enemy flights into the western part of the Baltic Sea or the area of the Danish Islands.

On the evening of 10 July Commanding Admiral, Defenses plans patrol and survey of the Great Belt by his forces (the METEOR, two minelayers, 19th Minesweeper Flotilla, 13th Minesweeper Flotilla, eight patrol boats).

Submarine Situation

At 2300 U "58" entered Bergen to take on supplies. U "A" was advised of movements of British warships off Freetown.

Submarines U "26", U "34", U "43", U "52", U "99", U "102" and U "122" are in the area south of Ireland up to the Bay of Biscay; U "56" and U "61" are in the area of the Minch up to the North Channel; U "29" is on return passage in the area of the Shetlands.

Submarine Successes:

The British steamer AYLESBURY (3,944 G.R.T.) was torpedoed approximately 360 miles west of Brest.

9 July 1940

CONFIDENTIAL

Naval Staff has been investigating the advisability of using as propaganda the incident of the sinking of the British passenger steamer ARANDORA STAR, while on her way to Canada, with the loss of German and Italian prisoners of war. The British could be blamed for deliberately exposing prisoners of war and internees to dangers at sea with the aim of preventing German submarines from sinking British ships without warning. Since it is possible that enemy propaganda would claim Great Britain's magnanimity in removing such people to Canada away from the dangers of air raids in Britain and since, moreover, the press would probably again bring up torpedoing without warning by German submarines, Naval Staff has decided not to use the incident for a German press campaign.

Nor should the evacuation of British children to America and Canada be mentioned in the German press. Reference might conceivably be made by the German press to the dangers to which these children are exposed due to German war measures. However, this should not be done, as it might give the enemy the opportunity to demand safe passage for such ships, thus seriously obstructing German submarine activities.

Mediterranean

See Situation Mediterranean.

France:

By order of the French Admiral Godfroy, the French vessels in Alexandria have been made unseaworthy by removal of their oil supplies, armament and crews.

Great Britain:

Task Force "H", which has been repeatedly reported south of the Balearic Islands, was proceeding 30 miles east of Minorca on course 55° in the evening. Task Forces "A", "B", "C" (Alexandria forces) continued their advance as planned and on the morning of 9 July were south of the Ionian Sea. Despite several Italian air attacks, they continued on their westward course. Air reconnaissance already spotted the Italian formation in the morning; at noon contact was made with two battleships and three destroyers.

Italy:

On the morning of 8 July a strong enemy naval formation was

9 July 1940

CONFIDENTIAL

reported between Crete and the Gulf of Sollum and was first attacked by the Air Force from Rhodes and later also by Libyan air formations.

The following are reported: one hit each on two heavy cruisers, several hits (100 kg.) on the carrier, one large warship listing heavily and others on fire, three hits (250 kg.) on a battleship, one hit (100 kg.) on each of two battleships and one hit (250 kg.) on the carrier (smoke). The Gibraltar squadron was attacked on 9 July by 47 planes of the formations stationed in Sardinia. Details not yet available.

Contrary to the plan of 8 July (not to operate against the reported enemy forces), Italian naval forces took up an intercepting position east of Cape Spartivento with the aim of repelling an attack by the Alexandria forces on the east coast of Sicily (probably on Augusta). Earlier, the majority of the destroyers had had to return to Messina and other ports to replenish their fuel and water supplies and night operations were therefore impossible.

At 1500, five light cruisers sent out to the east contacted three cruisers of the ORION class. Shortly after, one WARSPITE class battleship intervened. At 1515 the battleships on either side opened fire at a range of 260 km.

On the Italian side were the CAESARE, CAVOUR, 6 heavy and 10 light cruisers and 10 destroyers. On the British side there were 2 WARSPITE class battleships, approximately 6 cruisers and 13 destroyers (the third battleship and the aircraft carrier were not sighted during the engagement).

After some salvos a heavy hit on the stack put four boilers on the CAESARE temporarily out of action and her speed was reduced to 19 knots. Later speed was again increased to 22 knots. The British salvos were well aimed and close. Shortly afterwards, Admiral Campioni turned away to port to proceed southwest. The withdrawal was covered by smoke screens from the cruisers. With this maneuver contact was lost as the British apparently kept to their northeasterly course at first and later turned east or southeast.

The CAESARE put in to Messina, the CAVOUR into Augusta.

Except for the hit on the CAESARE no substantial damage to Italian ships has become known apart from one destroyer which is to be towed in. The report of the Commander, 2nd Squadron has not yet come in.

9 July 1940

CONFIDENTIAL

The Italian Naval Staff intends to transfer the center of operations from the Ionian to the Tyrrhenian Sea (Naples-Palermo) and to concentrate the naval forces in that area in anticipation of operations by Task Force "H" and assuming that the Alexandria forces will depart to the east.

Reinforced air reconnaissance to the west and southeast and submarine operations south and northwest of Sardinia are planned for 10 July.

The results of the Italian air attacks on the British forces during 9 July have not yet been made known.

Air Situation

See reports of the Air Force General Staff.

Twelve British bombers (Bristol Blenheims) were shot down while attempting to attack Stavanger-Sola; one He 111 and one BF 110 planes were damaged by bombs.

Reconnaissance results reveal the continued and unimpaired importance of the Thames Estuary where, in the noon hours alone, 129 ships in convoys were reported putting in and out. In attacks on the reported convoys, twelve steamers were sunk or damaged, and in Weymouth harbor one 12,000 G.R.T. transport was sunk. There were 35 enemy air intrusions, but the planes were ordered to break off operation.

Conduct of War against Great Britain

In order to establish a basis for the preparation of the planned operation, Naval Staff has approached the General Staffs of the Army and Air Force and requested them to consider it in the main as a problem of transportation. Naval Staff considers the area in the English Channel between 1° 30' E and 1° 30' W to be the most suitable crossing point.

The General Staffs have been requested to communicate their

9 July 1940

CONFIDENTIAL

operational plans. Important details:

1. What troops will be used?
2. Distribution to transport units.
3. Details of equipment, ammunition etc.
4. Loading points.
5. Landing and disembarkation points.
6. Composition and strength of troops at individual loading and landing points.

Accurate information as above is required in order that Naval Staff may go into further detailed planning, since the provision of transport tonnage and judgment of the repercussions on traffic in general and on the dockyard labor situation cannot otherwise be made. It will be essential to keep transport requirements as low as possible, since otherwise the task cannot be carried through at all.

According to orders from Armed Forces High Command, strong anti-aircraft formations will also have to be transported. As definite superiority in the air, if not air supremacy, is a basic essential for execution of the operation, Naval Staff assumes that anti-aircraft formations will be assigned to oppose motorized troops and tank formations, and therefore requests that they be listed with the transport groups of the Army.

Since, contrary to Army and Air Force, the Navy has to carry out a great deal of preparatory work and actual planning, Naval Staff points out that a reply is urgent. (Details see l.Skl.I op 998/40 Chfs, file "Seeloewe").

For the study of all matters pertaining to the conduct of war against Great Britain, Naval Staff plans to establish a Special Staff "Northwest" within the Operations Division, Naval Staff and requests the appointment of two or three additional officers.

The first assignments of this Special Staff have been laid down. (See enclosure to OKM Iop 998/40.)

10 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

The Labor Party's position has been considerably strengthened. There are rumors that the Duke of Windsor is in Germany, but according to Daventry the Duke has been appointed Governor and Commander in Chief of the Bahama Islands (exile). The surrender of the Channel Islands to the Germans without opposition has been sharply criticized in the House of Lords.

France:

The project for the modification of the French constitution has been approved by a large majority in the Chamber of Deputies (395:3 votes).

The National Assembly, consisting of the Chamber of Deputies and the Senate, will meet at 1500 on 10 July.

In an official proclamation, the French Government calls upon all military personnel who have left France to return. Their motives for leaving the country will be considered without prejudice; military personnel who do not return will be sentenced under current military law.

Finland:

In Moscow the Finnish Government declared itself willing to dismantle the fortifications of the Aaland Islands and to withdraw its troops. In order to facilitate Russian control, a Russian consulate has been set up at Mariehamn. At the last Finland is said to have tried to obtain a joint control by Germany, Sweden and Russia. However, Germany is reported to have refused. There are no indications in Russia that, in occupying Bessarabia, she is planning to invade the oil area.

Russia is anxious for closer relations with Bulgaria and counts on Bulgarian support in case of a further advance in the Balkans. Bulgaria, however, shows great reserve and attaches importance to the return of Dobruja by means of German, not Russian, assistance.

Rumania:

The situation continues serious. King Carol's position is

10 July 1940

CONFIDENTIAL

considered to be very weak. Whether Germany retains interest in the existence of Rumania in her present form, contrary to the desires of Russia, Bulgaria and Hungary, is considered to be the decisive factor.

Jugoslavia:

Russian influence in Jugoslavia is increasing rapidly. The establishment of relations with Soviet Russia is regarded as the greatest event in Jugoslavian policy in recent years.

Iran:

Reports of invasion by Russian troops not yet confirmed; however, the Shah has accepted the Russian ultimatum. This is said to call for: transfer of the provinces of Gilan and Massanderan (Iranian northern provinces bordering on Russia) (whether occupation or only control is not certain), control of the great north-south railroad (Caspian Sea - Persian Gulf), airfields in the northern provinces and one field on the Persian Gulf.

A serious conflict is going on between the Iranian Government and the Anglo-Persian Oil Company. Iran has placed the oilfields under military protection and the British directors under police control.

Afghanistan:

There is great alarm over the Russian action against Iran.

Near East:

The French collapse has made an enormous impression throughout the Islamic world. In Syria, Irak, Egypt, Tunis and North Africa there is great hope of being able to establish fully independent states under purely Arab leadership. The Arabs have no desire to exchange the British and French rule for Italian rule.

Conference on the Situation with Chief, Naval Staff

Visit of Chief, Air Force General Staff to Chief of Staff, Naval Staff. Brief exchange of information on the return of Group 106 from Commander in Chief, Air Force to Commander in Chief, Navy.

10 July 1940

CONFIDENTIAL

The statements made by Chief, Air Force General Staff reveal that the Air Force aims at the surrender of all naval air forces by the Navy.

Visit of General Reinhardt (Armored Troops) to Chief of Staff, Naval Staff for the purpose of making contact for subsequent cooperation between armored troops and the Navy (landing in Great Britain). It is planned to carry out trials on Sylt to facilitate study of technical problems. Further discussions will be held with Naval Staff, Service Division, Transport Branch.

Conduct of war against Great Britain

The establishment of a Special Staff in Operations Division is considered most urgent.

Naval Staff does not think that the Navy should claim leadership of the entire operation; the Navy must, however, be represented by as strong a personality as possible in the Special Staff to be formed in Armed Forces High Command.

Situation 10 July

Special Reports on the Enemy

Atlantic:

Great Britain:

The British Admiralty has declared the waters between the Orkneys, Iceland and Greenland to be mined and has ordered incoming shipping to proceed to Kirkwall between North Rona and Cape Wrath. Outgoing ships may request instructions at the British consulates in Baltic ports or at Kirkwall.

In the opinion of Naval Staff this announcement of a declared area is intended to force neutral shipping to submit to a British check which would be easy to carry out.

10 July 1940

CONFIDENTIAL

Besides this, modification in the system of the Northern Patrol is to be expected. (Probable withdrawal of auxiliary cruisers from this area to overseas assignments, and assumption of their duties by air reconnaissance and cruiser patrols).

Commander, 1st Cruiser Squadron and the SHROPSHIRE were on patrol between Northern Scotland and Iceland on 8 July.

Both the British transports with French soldiers aboard left Lisbon on 9 July for Casablanca.

On 9 July the ILLUSTRIOUS left Bermuda. The FURIOUS is en route to Liverpool.

At various overseas ports the British have seized French ships. These include the ILE DE FRANCE (43,450 G.R.T.) at Singapore, and the PASTEUR (30,000 G.R.T.) at Halifax.

France:

The BEARN (now in Martinique) left Halifax on 17 June and on account of the Armistice negotiations proceeded to Martinique. There is said to be a store of American planes on the island.

The authorities have sided with the Petain Government. According to the U.S. press, the Commander of the carrier is now willing to accept the British demands without fighting.

The Armistice Commission confirms that the French Admiralty has ordered all naval forces to attack British forces wherever they encounter them. The order concerning the 20 mile limit is to be considered canceled; however, in the light of further statements this may be regarded as an expansion of defensive measures off the French bases.

North Sea/Northern Waters:

A submerged submarine was attacked twice by planes west of Halten.

Own Situation

Atlantic:

No reports received from the auxiliary cruisers.

10 July 1940

CONFIDENTIAL

Regarding the use of the Siberian route by Ship "45", the Russians draw attention to the severe ice conditions this year and point out that it will be impossible to proceed beyond the rendezvous point in Warneck Bay before 1 Aug. Therefore, they suggest that the ship should wait in Murmansk. The Attache's impression so far is that the Russian suggestion is made in good faith and not for the purpose of obstructing the plan. In view of the need for secrecy, Naval Staff has refused to allow the ship to enter Murmansk. Ship "45" has been ordered to wait in the Barents Sea. The Moscow Attaché has been informed accordingly and instructed to report the new time of rendezvous as soon as possible.

Norway/North Sea:

The LEVANTE with three minesweepers left Mosjoen. Five vessels of the 1st Patrol Boat Flotilla, Ship "47" and two minesweepers are en route to Mosjoen to take over an SS transport bound for the north. The tanker ADRIA, escorted by two minesweepers, is en route from Bergen to Trondheim; the Norwegian steamer GUSTABUL is en route from Kristiansand to Trondheim to be placed at the disposal of the Todt Organization.

The tanker ESSO was transferred from Bergen to Stavanger (better air raid protection).

Minesweeper M "17" is not ready to sail as a large proportion of her crew is sick (meat poisoning).

Dutch minesweeper "08" entered the Elbe in tow. (should read submarine "08" Tr. N.)

Diving for the British submarine STARFISH which was sunk off Heligoland has produced no results so far.

The 2nd Squadron, 106th Group has been transferred back from Stavanger to Rantum. As of 9 July, the 1st Squadron has again been placed completely under Commander, Naval Air. As of 10 July, Coastal Patrol Group 806 will come under the 3rd Air Force.

Channel:

During the night of 9 July PT boats S "21" and "24" made a sweep from Cherbourg against the four enemy submarines reported south of Portland; owing to the weather they had to turn back. PT boats S "19" and "26" searched unsuccessfully for a Ju 87 which had made

10 July 1940

CONFIDENTIAL

a forced landing. No vessels sighted.

France:

The French Delegation of the Armistice Commission advises that the German naval authorities in Rochefort have asked for 24 minesweeping and patrol vessels to operate off the British coast under German colors and with German crews. The French Admiralty has instructed that this request be complied with.

Skagerrak/Kattegat/Western Baltic:

Transport traffic was carried out as planned.

Air patrol of the Great Belt; also planned for following nights.

Eastern Baltic:

A German steamer sighted two Russian troop and supply transports heading southwest off Dagoe.

Submarine Situation

U "58" and U "62" left Bergen.

U "56" changed her operational area to the North Channel.

U "43" (south of Ireland) reports very strong defense and air reconnaissance. Owing to bad weather this submarine plans to move to the south.

Otherwise no changes.

Submarine Successes:

U "43" sank 35,000 G.R.T. (intermediate report).

Mediterranean

Great Britain/Italy:

The Italian Navy advises that photographs of the air raid on Task Force "H" on 9 July reveal the following: HOOD hit on center-line forward (fire); RESOLUTION hit on center-line amidships; ARK ROYAL hit by five bombs, one on the forecastle, one on the port bow, one amidships, two on the quarterdeck. On 10 July the Task Force was no longer sighted east of Minorca; presumably it withdrew to the west.

At noon the British Mediterranean Fleet was standing on and off

10 July 1940

CONFIDENTIAL

approximately 35 miles southeast of Malta at 15 knots. .

The British Admiralty announced the torpedoing of an Italian submarine by the submarine PARTHIAN.

France:

The French mail steamer PROVIDENCE (12,000 G.R.T.) with 1,800 officers and men of the DUQUESNE Group (reserves and regulars) left Alexandria; she is due at Beirut at 2000 on 11 July.

Air Situation

Reconnaissance reports indicate intensive traffic along the east and Channel coasts throughout the day (246 steamers in various convoys).

Strong formations attacked the convoys; 1 cruiser with three funnels and 4 steamers were sunk and 1 cruiser and approximately 7 steamers reported damaged. Air battles with convoys' fighter escorts.

Numerous nuisance raids on southern and central England, especially on ports and fuel installations, were carried out with good results.

There were no enemy penetrations into German territory. (For details see reports of the Air Force General Staff.)

As a safety measure for the formations operating over the sea against Great Britain, Chief, Air Force General Staff has ordered the speedy organization of the Sea Rescue Service. The Reich Air Ministry has requested Naval Staff to instruct Commanding Admiral, France in regard to provision of suitable ships and boats and arrangement of details with the 2nd and 3rd Air Forces. With the assistance of Commanding Admiral, France and Port Commander, Le Havre, approximately 130 vessels have already been requisitioned for this purpose; however, not all of them are serviceable.

11 July 1940

CONFIDENTIAL

Items of Political Importance

Rumania:

Germany and Italy have granted de jure recognition to Hungary's claim to Transylvania (Munich discussions with Telecki and Czaky). The claim has yet to be put into practice. Hungary has applied to the King of Rumania with a view to obtaining satisfaction of her claim by peaceful means. Germany and Italy will support the claim in writing.

It is assumed that when this claim is satisfied, Bulgaria will at the same time put forward her claims on the Dobruja.

Italy:

Italian war aims in the Near East (see Political Survey No. 160): Egypt to be independent under Italian influence. The Sudan to be given to Egypt except for the strip between Libya and Abyssinia. Syria, Palestine and Transjordan to become a free Arab state. Aleppo to be ceded to Turkey; Akaba to Arabia. Aden, Hadramaut and Yemen to be under Italian influence. Jibuti and British Somaliland to be added to Italian East Africa. Desireh in East Syria to go to Irak in exchange for control of the Mossul oilfields and pipe line by Italy. Sinai Peninsula to go to Italy as a key point of the Suez Canal.

Italy/Greece:

Italy is reported to have sent a note to Greece asking for explanation of her alleged violation of neutrality in giving assistance to British forces. The Greek Government is said to have firmly refuted this charge, declaring that it is resolved on military defense of its territory particularly against Great Britain.

Greece is greatly disturbed by this Italian inquiry and fears that Italy is merely seeking a pretext for interference.

Great Britain:

It is reported that, at a secret session of the House of Commons on 9 July, the Minister of Economic Warfare made a detailed statement on the British situation in regard to the war on

11 July 1940

CONFIDENTIAL

merchant shipping and then suggested that the lifting of the blockade against Germany be considered. The reason for his suggestion, he said, was that under present conditions, maintenance of the blockade meant that the whole continent of Europe must be held under control, a task to which the British Fleet was not equal (besides being a challenge to neutrals). It was further stated that, in view of the large-scale attack expected, Great Britain could not afford to have her Fleet scattered over the oceans.

Butler, Secretary of the Foreign Office expressed the view that events in Europe might develop in such a way as to divert Germany's attention from Great Britain. The greater the determination shown by Great Britain, the more surely would this come to pass.

Situation 11 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Two vessels (gunboats or destroyers), probably escorting a convoy of ore steamers coming from Bilbao, are north of Cape Ortegal.

The VALIANT and ENTERPRISE have left Task Force "H" and are presumably returning to Great Britain.

Of the forces that participated in the action against the RICHELIEU, the HERMES and DORSETSHIRE are returning to Freetown. The DORSETSHIRE located a submarine (U "A" or French boat?) 120 miles west of Freetown.

The ALBATROS is in Freetown; several auxiliary cruisers put out from there on 10 and 11 July.

The CANBERRA is assumed to be off the southeast coast of South Africa escorting an Australian convoy.

11 July 1940

CONFIDENTIAL

France:

Fort de France was ordered to unload the planes from the BEARN and take them to a safe place. Precautions are to be taken that, in no circumstances, shall the planes fall into foreign hands in a serviceable condition. According to Daventry, the French authorities have refused an American proposal that the BEARN be interned in New Orleans for the duration of the war.

Armistice Negotiations:

Naval Staff concurs in the view of the Armistice Commission that only civilian guards for upkeep and safety should be left on French warships lying in harbors occupied by us. However, military guards in uniform are not objected to in principle. The final decision will depend on the development of the situation.

North Sea/Northern Waters:

The COVENTRY, at sea in the Scapa area, received an urgent radio message from Commander in Chief, Home Fleet stating that all survivors had been rescued. It is not known to what survivors the message refers.

In the Lowestoft-Harwich area there are four destroyers and one gunboat on escort duty. Off the southeast coast there are the GALATEA with Commander, 2nd Cruiser Squadron, the SHEFFIELD and two destroyers.

Submarines reported: two north and west of Halten; one 20 miles west of Feistein was attacked by a plane. One submarine on return passage to Harwich.

Neutrals:

On 8 July the U.S. steamer MC. KEESPORT left Bilbao for Marseille to unload Red Cross material. The steamer was originally bound for Bordeaux but use of that port was refused due to danger from mines. It is not in the interest of our naval warfare that American ships should form the habit of entering the closed zone, thus creating conditions for incidents. At 1000 on 12 July the MANHATTAN is to leave Lisbon with repatriated American citizens.

11 July 1940

CONFIDENTIAL

Own Situation

Atlantic:

The auxiliary cruisers were advised of enemy movements.

Ship "33" has not reported since leaving Norwegian territorial waters. As she is to meet submarine U "A" on 18 July, confirmation that her outward passage was carried out as scheduled is necessary. The ship will therefore be asked to transmit a short radio signal on 12 or 13 July.

Since the beginning of April no report from Ship "16" has been received except an indirect confirmation (by Daventry Radio) that she had performed her mining mission off the Cape. For further suitable dispatch of auxiliary cruisers Naval Staff requires a report on position, readiness, successes and experiences. Ship "13" will therefore be asked to transmit a short radio signal on 14, 15 or 16 July as well as a short radio report as soon as possible. The danger of a bearing being taken on this is regarded as a minor risk in the vast area of the Indian Ocean.

Norway/North Sea:

On the morning of 10 July the ALSTERTOR left Mosjoen for Narvik. The 1st Patrol Boat Flotilla, two minesweepers and Ship "47" entered Mosjoen. The LEVANTE entered Trondheim.

Thirty mines have been swept from the Gripholen barrage; work is being continued.

The destroyer crews arrived at Trondheim.

The ADRIA is en route from Bergen to Trondheim.

The ESSO is en route to Kristiansand.

An exploratory sweep by the 5th Torpedo Boat Flotilla on Route "1" produced no results.

The 1st Squadron, 406th Group has been transferred from Rantum to Stavanger.

Channel:

During the night of 10 July there was a sweep by the 1st PT Boat

11 July 1940

CONFIDENTIAL

Flotilla against a convoy 20 miles southeast of the Isle of Wight. The convoy was not encountered. PT boat S "26" sank the motorship MARDAR (350 G.R.T.). The 2nd PT Boat Flotilla laid mines along the convoy route off the southern approach to the Thames as scheduled.

Skagerrak/Kattegat/Western Baltic:

The Danish steamer KAI (1,746 G.R.T.) which struck two mines eastnortheast of Tranekjær, drifted ashore; she can be towed off.

A submerged submarine of unknown nationality was reported by a plane southwest of Porsgrund on the border of Swedish territorial waters.

The Finnish steamer LATI (not registered at Lloyd's) left Smoegen (Sweden) at noon heading for Skagen and was reported by a plane on the morning of 12 July to be in the Skagerrak declared area.

Transport traffic according to plan.

The towed convoy GRAF ZEPPELIN will leave Kiel at 0700 on 12 July eastward bound.

Submarine Situation

U "34" contacted a convoy southwest of Ireland.

U "29" entered Wilhelmshaven.

As U "26", U "102" and U "122" have not reported for some time, in spite of requests to do so, they must be presumed lost.

In addition to these three submarines:

U "A" is in the area of the Cape Verde Islands.

U "34", U "43", U "52", U "99" are between southern Ireland and the Bay of Biscay.

U "56", U "61" are in the North Channel area.

11 July 1940

CONFIDENTIAL

U "58" and U "62" are outward bound in the northern part of the North Sea.

Mediterranean

Task Force "H" entered Gibraltar. The Admiralty denies Italian reports of damage to the HOOD and ARK ROYAL; on the contrary, British planes are said to have sunk an Italian destroyer and a hulk in a port north of Augusta.

The ROYAL SOVEREIGN and five destroyers touched Malta and put out again at 0500. No reports received on the position of the other vessels.

For British and Italian press commentaries on the engagement of 9 July, see Foreign Press Report No. 161.

Air Situation

Reconnaissance sighted several unaccompanied steamers and eight convoys off the British east and south coasts.

Seven attacks were made on convoys without result. In further attacks approximately five steamers were sunk and four damaged; one 2,500 ton warship was hit.

Nuisance raids on ports and industrial plants were carried out with good success. At Portsmouth a floating dock and two steamers were hit.

Approximately 33 flights were made into Reich territory over the Heligoland Bight as far as Stettin.

Conference between Chief, Naval Staff and the Fuehrer at Obersalzberg

Points of discussion:

1. Navy's activities in Norway. Question of ore shipments from Narvik.

11 July 1940

CONFIDENTIAL

2. Expansion of Trondheim. The Fuehrer plans to establish a base at Trondheim with strong sea and shore defenses.
 3. Intensification of submarine warfare by operations from French west coast ports.
 4. Activities of auxiliary cruisers.
 5. Question of rearmament of Baltic Sea bases.
 6. Blockade of Great Britain. Declaration of state of siege.
 7. Further action against Great Britain. Chief, Naval Staff emphasized the need of heavy air raids on the main British economy and import centers being carried out as soon as possible.
 8. Landing in England. Chief, Naval Staff expressed the opinion that a landing must be regarded as a last resort to force Great Britain to make peace.

Chief, Naval Staff is, moreover, fully convinced that Great Britain's surrender could be achieved by cutting off her sea supplies by means of submarine and air attack on convoys and by heavy air raids on large British industrial centers.
 9. Question of France's participation in the war against Great Britain.
 10. Question of bases in the Atlantic.
 11. Plan for expansion of the Fleet. Construction of "H"* and "I"* to be continued. Construction of "O", "P", "Q", the upper-deck being reinforced. The Fuehrer suggests that these should be cruisers with a flight deck for cruiser warfare. Immediate expansion of the submarine fleet at the end of the war. For further details, see notes of Chief, Naval Staff on the conference, with appendices 1-3 dated 11 July in War Diary, Part C, Volume VII.
- * Planned battleships which were never built.
-

12 July 1940

CONFIDENTIAL

Items of Political Importance

France:

Decision of the National Assembly to confer full authority upon Marshal Pétain as Head of the State and Chief of Government. Lebrun has resigned. Pétain assumes the offices of President of the Republic and Prime Minister. Transfer of the Government into the occupied area is planned. Germany requested to permit establishment in Versailles. Allegedly, the trend of the new constitution is away from international capitalism with a greater emphasis on national socialism.

Great Britain:

For statement by Lord Halifax in the House of Lords on the situation in the Near East, see Political Survey No. 161.

The Balkans:

In the Rumanian frontier districts there is great unrest and fear of a Hungarian invasion. The German Government has again called the Hungarian Government's attention to the fact that, at the present time, an independent Hungarian action against Rumania could not be sanctioned, either by Germany or Italy. For the time being satisfaction of Hungarian claims must be obtained by peaceful negotiation as neither Germany nor Italy desire a disturbance of the peace in the Balkans.

The Hungarian Prime Minister and the Foreign Minister left for Germany for discussions.

U.S.A.:

The bill presented by Mr. Roosevelt and passed by the House of Representatives for the construction of a two-Ocean Fleet by 1946 was passed by the Senate. This will increase the American Fleet by 70% at a total cost of approximately 10 billion dollars.

Besides this, the Army is to be increased to a wartime strength of 1,200,000 men plus 800,000 reserves.

It is planned that the Army and Navy shall have 19,000 planes between them.

12 July 1940

CONFIDENTIAL

Undoubtedly Mr. Roosevelt is anxious to obtain as much money as possible for armaments before the start of his election campaign. By increasing expenditure on armaments he hopes:

1. To raise British hopes, just now, that the United States can and will help them in the near future.
2. To encourage the Americans to believe that their own country is in direct danger.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Chief, Naval Staff reported the results of his discussions yesterday with the Fuehrer and Supreme Commander.
2. Report by Chief, Operations Branch on the order of Armed Forces High Command concerning establishment of heavy batteries on the French Channel coast for use against Great Britain. All preparations should be made with a view to ensuring strong frontal and flank artillery defense for transport and landing operations in case of a possible crossing from the Calais-Cape Gris Nez-Boulogne coastal area. Operation and installation of coastal batteries will be in the hands of High Command, Navy. It is planned to employ all heavy batteries available and suitable for the purpose.

Chief, Naval Staff ordered a plan of organization to be submitted. Rear Admiral Fleischer is proposed as the controlling officer (later Admiral, Flanders).

3. For the purpose of preparing an action against Gibraltar or supporting a surprise Spanish attack, Armed Forces High Command has ordered the setting-up of an Investigation Staff "Gibraltar". Naval Staff has appointed the Naval Attaché, Madrid to represent the Navy on this staff.
4. Naval (Ship) Construction Division reports that while it had been hoped to transfer the cruiser KOELN (under repair) and the PRINZ EUGEN into the Eastern Baltic, out of range of British air attack, on 25 July, this could not now be done before 21 Aug.

12 July 1940

CONFIDENTIAL

owing to the amount of urgent work in the dockyards. The PRINZ EUGEN will be commissioned on 1 Aug.

The following directive from Naval Staff on the subject of artillery defense (see Para. 2) has been sent to Chief, Service Division:

- a. The enemy situation is such that he can:
 1. operate with air forces from England;
 2. operate with naval forces of all types from the north and west;
 3. operate with coastal fortifications and shore defenses in the Dover Strait, with the aim of preventing preparation of the crossing and the landing of transports.
- b. As against this enemy situation, Naval Staff sees the following possibilities on our part;
 1. To ensure air supremacy in the sea and coastal areas in which crossing and landing is to take place. This will be the task of Commander in Chief, Air Force.
 2. To ensure naval supremacy in the area involved by closing it to penetration by surface forces and submarines. This will be effected by coastal batteries and mine barrages along the flanks of the crossing area. Flanking barrages would lie between Rye Bay - west of Dungeness - Canche Bay - south of Boulogne on the one side and between Goodwin Sands - Out Rytingen on the other.
 3. Destruction of coastal fortifications and elimination of shore defense would be essential for establishment of artillery cover for bridgeheads.

The successful execution of this assignment will depend, as in the break-through battles in the west, on the heavy long-range guns in cooperation with suitable air formations. Naval Staff, Service Division has been instructed to arrange all further details and to carry out the necessary preliminary work as soon as possible.

12 July 1940

CONFIDENTIAL

Situation 12 July

Special Reports on the Enemy

Atlantic/Indian Ocean:

Great Britain:

The British radio announced imminent mine-laying off the coast of Ireland.

The cruisers AUSTRALIA and CORNWALL, formerly in the Cape area and recently at Dakar, are now southwest of Gibraltar, presumably patrolling the area off Casablanca. Radio monitoring reports that the auxiliary cruiser CORFU, which left Freetown yesterday morning, has been seriously damaged. It is possible that she was torpedoed by submarine U "A". She is returning to Freetown and has called for tugs to assist. Early on 11 July the cruiser DORSETSHIRE located a submarine 120 miles west of Freetown.

The Chief of the Ministry of Information in London has asked for a report from Singapore on the situation regarding French vessels in the Far East.

France:

The French Admiralty has advised all naval offices and commands that the central offices of the naval dockyards, administrative services, transport service, personnel office and Naval Attachés have resumed their duties as-of 12 July.

The Colonial Minister has instructed the Governor General of Indo-China to inform Numea and Papeete by radio that, in view of the British attitude and the attacks on Oran and Dakar, any attack or violation of territory is to be opposed, if necessary, by force.

Armistice:

On inquiry from the Armistice Commission, Naval Staff has announced the following general principles concerning resumption of French merchant traffic:

1. Coastal traffic along the French Atlantic coast will be permitted if essential to the proper distribution of supplies. If not, traffic is suspended. (To be decided by Commanding Admiral, France.)

12 July 1940

CONFIDENTIAL

2. All matters relating to French shipping in the Mediterranean will be settled by Italy.
3. Coastal traffic along the Atlantic coast of French Morocco, approximately between Dakar and Casablanca will not be permitted as, at least for the time being, there is danger of vessels operating in that area being seized by the British.
4. Overseas traffic e.g. to South Africa, is suspended for the reason given under 3.

The Armistice Commission was also instructed to arrange for resumption of the suspended duties of the Central Hydrographic Service and Time Signal Office as the continuation of surveys and charting of French coastal waters and resumption of practical tide and time signal services is necessary.

North Sea/Channel:

According to radio intelligence the NELSON entered Scapa. From the movements of British and ex-Dutch minelayers further minelaying in the Dover area and off the coast of the English Channel is to be presumed.

The following regulations governing British home waters were put into effect by the Admiralty:

1. In the period between sunset and sunrise no merchantman may approach the shores and ports of the United Kingdom within the 3 mile limit except in organized British convoys. However, this order does not prevent ships following the main shipping lane en route, where this runs within the 3 mile limit. If, however, ships are unable to reach their destination before sunset, they must drop anchor or continue their passage outside the limit.
2. In fog or bad visibility, no merchantman may approach the coasts and ports of the United Kingdom without permission from the control ships. If visibility deteriorates, ships should anchor or continue further out of sea.
3. Ships violating these orders risk the danger of being fired upon.

12 July 1940

CONFIDENTIAL

Own Situation

Ship "33" sent a short radio signal: position 24° N, 35° W.

Ship "21" reported her position in DQ (approximately 20 - 25° N, 45 - 50° W.). She asks for a supply ship.

Prize I. of Ship "10" (Dutch motorship KERTOSONO 9,289 G.R.T.) carrying 1,300 tons of lumber, 800 tons of paper, 280 tons of steel, 250 tons of asphalt, 4,428 tons of miscellaneous cargo, with a Dutch crew including some Chinese, Javanese and 7 North Americans, entered Lorient at 1200 on 12 July. The ship was sailing under Dutch colors and was on her way from New Orleans to Calcutta. Commanding Admiral, France has ordered that the crew and particularly the Americans, are to be released provided they are not found guilty of violation of neutrality by collaboration with the enemy.

The Atlantic ships were advised by radio of the enemy situation and movements of forces (see radiograms 0857 and 1953).

Norway:

Nothing special to report.

The supply ship NORDMARK has been ordered by Group West to return home from Trondheim. The tanker ADRIA arrived at Trondheim in the evening.

Channel and West Coast:

The 1st PT Boat Flotilla put out to rescue planes southeast of Start Point. Search produced no results.

The 2nd PT Boat Flotilla made a sortie against a convoy between Kentish Knock and Shipwash during the night of 11 July. East of North Foreland S "23" struck a mine. After attempts to take her in tow had failed, the boat was blown up. No casualties.

Admiral, Northern France reports that no British guns were found in the course of a thorough search of the Channel Islands.

In view of wide-spread commitments off the west coast of France and of the need to defend the submarine bases from mines, Commander, Minesweepers, West has applied for the establishment of three more minesweeper flotillas for the French west coast. (See Application, radiogram 1918.)

12 July 1940

CONFIDENTIAL

Northern France:

Naval Staff has applied to High Command, Army for a 28 cm. railroad battery to be set up in the Calais area, at once if possible, for the purpose of harassing enemy merchant shipping in this area and for defense against enemy operations.

Skagerrak/Kattegat:

No submarines detected.

During the night of 12 July, there were enemy penetrations as far as Luebeck. No bombing was reported.

Mine Situation

While making trials for the Torpedo Experimental Station off Eckernfoerde Bay, the steamer FREIBURG struck a mine outside the prescribed routes and was damaged.

War against Merchant Shipping

In the Skagerrak the Finnish steamer LATI was stopped by a plane and sent to Kristiansand with course instructions. Her cargo consists of 617 tons of manufactured steel and gun barrels for Great Britain. The ship has been taken in prize.

This incident demonstrates the need for more thorough patrolling of the Skagerrak and control of merchant shipping. Routine morning and evening reconnaissance by formations of Commander, Naval Air, Baltic will be necessary. Transport traffic according to plan.

Submarine Situation

In the Atlantic operational area: U "A", U "34", U "43", U "52",

12 July 1940

CONFIDENTIAL

U "56", U "61", U "99", U "26", U "102" and U "122"; of these U "56" and U "61" are operating in the north Channel area.

Outward bound: U "58", Shetlands area.

In the North Sea operational area: U "62" off Kinnaird Head, U "57" in southern North Sea.

In Lorient: U "30".

The submarines have been warned that ships approaching the French coast may be our prizes, returning French ships or German ships coming from Spain.

Submarine Successes:

The auxiliary cruiser CORFU was seriously damaged off Freetown. The Finnish steamer PETSAMO (5,490 G.R.T.) sank off the Irish coast.

Upon her return, U "29" reports the sinking of 24,684 G.R.T. including three steamers sunk according to Prize Regulations. For details, see brief reports in War Diary, Part B, Volume IV.

Merchant Shipping

Transport operations by the Navy in the Norwegian campaign: A statement on transport traffic to Norway from 3 to 30 April gives the following figures:

593 trips by vessels totaling 2,508,668 G.R.T.

They carried: 127,114 officers and men
18,749 horses
23,285 vehicles
115,282 tons of cargo

Besides this, about 100 drifters with an approximate total of 12,000 G.R.T. carried some 8,000 tons of military supplies to Norway between 10 April and 22 May 1940.

12 July 1940

CONFIDENTIAL

The following ships were damaged or lost by enemy action:

22 ships = 113,367 G.R.T. of which 3 totaling 21,939 G.R.T. were towed in or salvaged.

On board these 22 ships were:

4,344 officers and men
1,122 horses
1,425 vehicles
21,648 tons of cargo

All except about 1,000 men and 400 horses were rescued.

Situation Mediterranean

See details in Vol. Situation Mediterranean.

Air Situation

Long range reconnaissance between the Faroes and Iceland detected no shipping traffic or vessels. South of Iceland a patrol boat was sunk by a surprise bombing attack.

In operations against convoys off the British east coast several steamers were damaged by bombs.

Besides this, the Air Force continued its harassing attacks on British aircraft factories and Government armament plants.

For details, see Air Force Events of the Day for 12 July.

13 July 1940

CONFIDENTIAL

Items of Political Importance

France:

For composition of the new French Cabinet, see Foreign Press. (Laval, Deputy Prime Minister; Weygand, National Defense; Admiral Darlan, Under Secretary of the Navy.)

Great Britain:

The appointment of the Duke of Windsor as Governor of the Bahama Islands must undoubtedly be regarded as a kind of exile through which any influence that he might have had on British policy is to be eliminated.

Information from foreign diplomatic circles indicates that the determination to fight on is increasing in Great Britain.

The Balkans:

The Munich discussions with the Hungarian statesmen and Count Ciano have been concluded. Clear and open acceptance by Hungary of the policy of the Axis Powers.

The Rumanian Foreign Minister will be called to Germany for discussions.

Turkey anticipates Russian requests for a new regulation of the Straits question. Out of fear of a Russo-Bulgarian attack on Thrace, mobilization has been intensified. In Jugoslavia, mobilization is to be maintained for the time being.

Notes on Operation "Seeloewe"

Chief, Naval Ordnance Division, Bureau of Naval Armament has provided data concerning the possibility of battery operations from the Channel coast in support of the landing. Investigation reveals that, in view of the distances involved, only four K5 (28 cm.) guns and four 38 cm. guns will come into question. In practice, even with these guns, really good defense cannot be provided owing to wide dispersal and low rate of fire. No substantial effect could be expected. Preference given to 38 cm. guns might affect ammunition supplies for the TIRPITZ and BISMARCK. Chief, Naval

13 July 1940

CONFIDENTIAL

Ordnance Division warns against the illusion that by using these heavy guns the landing operation could be substantially supported and deems it necessary to advise the Fuehrer to that effect as soon as possible.

Situation 13 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Nothing to report.

Disposition of forces:

The FURIOUS in Scapa. The cruiser CORNWALL (up to now off the West African coast) is returning to Liverpool. Present position west of the Channel.

The old battleship VALIANT is still in the Gibraltar area. The ARK ROYAL is in dock for repair of damage caused by Italian air raids.

The old battleship REVENGE and the cruiser CARADOC entered Halifax on 11 July.

A message from Radio Cairo to Radio Dorchester for a cover address runs as follows:

"Oran was a big thing. Transfer 500,000 men to 100 points and have them dig trenches at every possible landing place in Ireland at all costs. This urgent operation will save England."

Though the addressee and sender cannot be identified, the message shows that there is fear of invasion in Great Britain and reveals that the possibility of a landing in Ireland is apparently reckoned with.

France:

The French Armistice Commission advises that on 11 July French

13 July 1940

CONFIDENTIAL

bombers sank two British torpedo boats between Oran and Gibraltar and bombed various cruisers.

On 11 July, Secretary of State Hull is reported to have intervened to prevent fighting off Martinique. The proposal to leave the French warships in Martinique for the duration of the war or to intern them in a neutral port was rejected by the French. There are rumors of the appointment of an international commission to guarantee the disarming of the ships in Martinique.

In the matter of French cooperation with us in the war against Great Britain, the Fuehrer has decided as follows:

In the Mediterranean theater, French warfare against Great Britain will be admissible as far as the Italians, the principally interested party, will permit this. Outside the Mediterranean the decision rests with Germany. Here the French will be allowed to engage only in defensive action against British attacks.

For a survey of the present distribution of French forces, see file "Armistice with France".

North Sea/Northern Waters:

Nothing special to report.

Mountain troops sighted suspicious vessels, possibly enemy destroyers, in the sea area southwest of Hammerfest.

The cruisers SHROPSHIRE and SUSSEX are planning to enter Scapa on 14 July.

The submarines TRIAD and TAKU are on their way back to Rosyth, SWORDFISH is en route to Blyth. An enemy submarine was attacked by patrol boats southeast of Egeroe.

Channel:

The submarine SEVERN is en route to Devonport. The cruiser NEWCASTLE, escorted by destroyers, is in the western Channel area.

Belgium:

On several occasions the Belgian Government has approached the German Government with a view to opening negotiations for the return of refugees and for official Armistice negotiations. The

13 July 1940

CONFIDENTIAL

Fuebrer is of opinion that no Belgian Government exists. Consequently, any attempts by the Belgian authorities to negotiate with us are, by order of Armed Forces High Command, to be rejected.

Own Situation

Atlantic:

Short signal from Ship "21". The whole message was not received. As interpreted by Naval Staff, Ship "21" is in grid square DP and asks for the REKUM to be sent to grid square DQ. The ship was ordered to specify the time at which she wishes the REKUM to arrive in the waiting area. Ship "21" then reported sinking 20,000 tons to date and asked for supplies on 20 July.

The REKUM has been ordered to sail immediately but arrival at the appointed time is impossible. Ship "21" has therefore been advised that her arrival in the waiting area may be delayed up to fourteen days.

Naval Staff has assumed operational control of Ship "45". The auxiliary cruiser will be informed of Naval Staff's plan to use supplies from the Etappe, Japan to make up for the tanker ESSO.

Norway:

Nothing special to report.

Seven mines were reported in the entrance to Namsen Fjord and mines were detected in Griphölen off Langholmen. Sweeping has been started. For report of Commander, Minesweepers, West on minesweeping in the Norway area, see War Diary, Part C, Volume VI.

North Sea:

During the night of 12 July there were various enemy air incursions into the Heligoland Bight. Emden was bombed. No important damage. (See Radiogram 0724). The 1st Motor Minesweeper Flotilla has been placed at Group West's disposal from 22 July for urgent minesweeping duties. For fast escort assignments of Commanding Admiral, Defenses, Baltic three or four torpedo boats should be left with him at present.

13 July 1940

CONFIDENTIAL

The Groups will be advised accordingly.

English Channel:

PT boat flotillas off duty.

According to recent information one tanker of 15,000 tons (in spite of her degaussing equipment) and another tanker of 6,000 tons were lost through striking mines (aerial) off St. Nazaire. This shows that, despite all defense measures, aerial mines are still effective and confirms the need of continuing to use them as much as possible.

Northern France:

Group West calls urgent attention to the importance of the observation and reporting post at Cape Gris Nez in operations by air and naval forces against enemy shipping and requests Commanding Admiral, France for personnel and equipment adequate for operational requirements. (See Radiogram 1335.)

Skagerrak/Kattegat:

During the night of 13 July approximately 30 to 35 enemy planes flew into the area of Schleswig-Holstein and southern Denmark as far as east of Schwerin; objects were reported dropped in Luebeck Bay, presumably mines.

Transport traffic to Norway according to plan and without incident.

Check of merchant traffic in the Skagerrak by motor minesweepers, patrol boat flotillas and submarine chasers produced no results.

Submarine Situation

U "30" left Lorient for the operational area. In view of the many warships passing Gibraltar, the submarine was ordered to proceed to the south between 13° and 15° W and to operate off Gibraltar. For the present, no restrictions for attacking.

U "56" and U "58 were informed that, if no major dockyard repairs are required, the next supply call should be made at Lorient instead

13 July 1940

CONFIDENTIAL

of Bergen.

No change in distribution of submarines.

Mediterranean

Raids by the Italian Air Force on the British Task Forces proceeding to the east were continued throughout 12 July. Several hits were scored. For further information see Situation Mediterranean.

For the Italian operation on 9 and 10 July, see Military Report No. 2 from the Liaison Staff attached to the Italian Naval Staff and information and supplementary situation reports of 12 July. On the whole the Liaison Staff considers that all essentials existed for a successful Italian action against the British naval forces. These comprised, in particular, excellent knowledge of the situation and of enemy plans, favorable situation of battle area near to their own bases, a favorable time which would have made it possible to fight on two almost moonless nights, excellent support from their own Air Force, from submarines and torpedo carriers, and superior speed of the whole formation. The obvious step of sending out torpedo carriers during the nights of 8 and 9 July was not taken and therefore extraordinarily good conditions for a successful engagement were not exploited. The Liaison Staff considers that the Italian Navy let slip a decisive opportunity. For details see descriptive reports.

The Liaison Staff reports that the High Command of the Italian Navy considers a joint examination of the new strategic situation by the German and Italian Naval Staffs to be advisable since the guiding principles laid down at Friedrichshafen and confirmed in general in the correspondence of last January were mainly based on strategic premises that have now altered. In the opinion of the Italian Naval Staff, the change in the situation has brought the following points to the fore:

- A. The disappearance of the French Navy from the field of operations has resulted in a greater tying down of heavy British naval forces in the Mediterranean theater and has consequently created greater freedom of action for surface forces in the oceans.

13 July 1940

CONFIDENTIAL

B. The very great restriction of merchant traffic and also of the movements of naval forces in the Mediterranean permit better exploitation of the Italian submarines in the Atlantic, especially if the question of availability of Atlantic bases could be solved.

The Italian Navy, therefore, requests that the guiding principles for future joint naval warfare against Great Britain be revised.

The Chief of the German Liaison Staff, Rear Admiral Weichold, will be present at German Naval Staff Headquarters during the next few days for discussions on the situation and on the questions raised by the Italian Naval Staff.

Air Situation

See Air Force Events of the Day.

In the course of armed reconnaissance several convoys and unaccompanied steamers were attacked with good results.

Harassing attacks against British industrial and armament plants were continued and caused large fires and explosions.

Our fighters shot down twelve enemy planes, including eight Spitfires.

14 July 1940

CONFIDENTIAL

Items of Political Importance

France:

Regarding the alterations in the French constitution, the following are important: the emphasis laid on termination of the policy favoring emigration; new drafting of a marriage law to prohibit racial intermixture; introduction by the Government of the National Labor Service.

Sweden:

The German Ambassador in Stockholm reports that the British Government has made no formal protest against the German-Swedish military transit agreement. The British Ambassador merely communicated the opinion of his Government that the Swedish action constitutes a departure from neutrality.

The Balkans:

Since the conclusion of the Munich discussions there has been general calm in the Balkans. Hungary and Rumania have taken measures towards demobilization. It may be expected that Bulgaria will do likewise. The same applies to Yugoslavia.

Situation 14 July

Atlantic:

Great Britain:

Nothing special to report.

The cruisers SUSSEX and SHROPSHIRE, presumably having escorted the FURIOUS in the North Atlantic, entered Scapa. The FURIOUS is in all probability proceeding to Liverpool.

The cruisers FIJI, DUNEDIN, DIOMEDE and DUNDEE were reported in the West Indies. They probably constitute the British blockading forces off Martinique.

The cruiser CANBERRA is at present in the Cape area.

14 July 1940

CONFIDENTIAL

France:

Armed Forces High Command communicates:

The Fuehrer has ordered that, after preliminary agreement with the Italian Armistice Commission, the French be requested to hand over to Germany the French Navy mine stocks on the Mediterranean coast. The Fuehrer attaches great importance to the acquisition of the greatest possible number of mines. In the opinion of Armed Forces High Command, the above-mentioned mines cannot be used by the Italians. (The Fuehrer's demand is based on the requirements for operation "Seelowe".)

North Sea/Northern Waters:

Commanding Admiral, Norway supplemented the report on the sighting of two suspected enemy warships in the area southwest of Hammerfest with the statement that there were apparently two steamers with these vessels. It is presumed that this is the beginning of merchant traffic from the Petsamo area (ore from Kirkenes?). Reconnaissance and attack sorties by our light forces from the Trondheim area against this traffic will be necessary and should produce good results. It may be added that, according to a report from the Naval Attaché in Stockholm, merchant traffic between Norway and the United States must also be reckoned with. Sweden has similar desires. Chief, Naval Staff therefore orders that special attention be paid to this matter in order that any possible development of merchant traffic to Great Britain by this circuitous route may be excluded from the beginning.

According to radio intelligence reports, there seems to be a great concentration of forces in the Scapa area, possibly for the purpose of intercepting and destroying the GNEISENAU on her return passage, which is expected shortly.

Air raids on Scapa to disperse these forces are therefore desirable. Departure of the battleship formation should occur during bad weather.

Enemy submarines were sighted southeast of Egeroe and - for the first time - 120 miles west of West Fjord; the relief of a submarine was reported in the area Texel-East Frisian Isles.

14 July 1940

CONFIDENTIAL

Own Situation

Atlantic:

Atlantic ships were informed on enemy forces and on the situation in the Mediterranean (see Radiograms 1603, 1538).

Ship "36" was ordered to detach supply ship WINNETOU to Kobe upon her release.

Ship "45" was advised of the suspicious vessels reported in the North Cape area.

Norway:

Nothing to report.

Commander, Destroyers reports plans for navigation and battle exercises by destroyers in Trondheim Fjord and vicinity during the coming week.

Enemy planes were over Trondheim around midnight.

To an inquiry by Naval Staff in regard to the frequent cases of stranding and touching ground in Norwegian waters, Commanding Admiral, Norway reports that the pilotage problem has now been solved satisfactorily on the north and south coasts. State-appointed pilots have in general resumed their duties in the west coast area; private pilots are still making trouble, chiefly in respect to insufficient provision for dependents in case of death. The Reich Commissioner has been approached in regard to arrangement of maintenance and a bonus system is planned, so that improvement is expected here (see also Radiogram 1407).

North Sea:

There was a mine explosion in the wake of a vessel on the lower Elbe. The north channel has been closed.

During the night of 14 July air raids with incendiaries and high explosives were made on Wilhelmshaven. Little material damage.

Group West has applied for the assignment of two He 115 squadrons since the formations of Commander, Naval Air, West are not, at present, sufficient for defense of the minelaying operations

14 July 1940

CONFIDENTIAL

planned from 16- July.

Naval Staff has placed Coastal Patrol Group 606 at the disposal of Group West, since transfer of this Group to the North Sea was already planned.

In regard to the air raids in the Bremen area during the night of 13 July, see report 0440. Very heavy anti-aircraft fire prevented the enemy from reaching his targets.

English Channel:

Following a report of nine steamers heading southwest, the 2nd PT Boat Flotilla was sent out into the area between Beachy Head and Dungeness; no targets were found except patrol boats.

Admiral, Northern France reports busy shipping close to the British coast.

The 3rd Air Force reports that, from recent observations during raids on the south coast of England, convoys are proceeding close inshore, there is strong anti-aircraft and fighter defense and attacking planes are accurately located up to 25 km. out to sea. This makes operations very difficult.

Laying of mines along the British south coast close inshore up to 25 km. out to sea, concentrating on the eastern limit at 1° 5' W and western limit at 3° 40' W, has been requested so as to compel convoys to proceed further offshore. By this means, the 3rd Air Force expects to intensify air attacks on convoys and minimize our own losses.

The need for keeping British coastal waters free of our own mines in view of possible future plans for landing does not permit the mining of the south coast at this time as requested by the 3rd Air Force, because of possible extension of the operational landing area towards the west. Group West and the Air Force will be informed accordingly.

Skagerrak/Kattegat:

No submarines reported. During the nights of 13 and 14 July there were enemy air incursions via Schleswig-Holstein as far as Travemuende. Minelaying is suspected.

14 July 1940

CONFIDENTIAL

Mine situation: drifting mines were located off Skagen and north of Seeland; otherwise no change.

Sweeping on barrage "Jade 4", check sweeps and merchant shipping control in the Skagerrak carried out according to plan.

Transport traffic without incident.

Submarine Situation

No change.

U "34" reports the sinking of six steamers totaling 22,807 G.R.T. and of the destroyer WHIRLWIND. She is beginning her return passage to Lorient.

Of the submarines operating in the Atlantic, the following must now be presumed lost: U "26" (Lt. Scheringer), U "102" (Lt. von Klot) and U "122" (Commander Loof).

Situation Mediterranean

See Vol. Situation Mediterranean.

The British Admiralty announces the loss of the destroyer ESCORT (1,375 tons), hit by a torpedo in the Western Mediterranean.

Italian air raids on Malta.

Air Situation

See Air Force Events of the Day.

The 3rd Air Force made successful raids on merchant shipping in the Channel and northwest of Brest. Several steamers were seriously damaged.

14 July 1940

CONFIDENTIAL

The 2nd Air Force attacked a convoy south of Dover and scored heavy hits. One destroyer was seriously damaged.

Harassing attacks during the night against airfields, industrial plants and dockyards were continued with good result.

The 9th Air Division carried out a minelaying operation in the Thames with 22 planes.

15 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

For Mr. Churchill's speech on 14 July, see Foreign Press.

His insistent endeavors to designate the Oran attack and the British measures against the French Fleet as closed incidents are noteworthy. He declared that Britain had nothing more to fear from the remaining French warships as long as they did not remain in ports which are under German or Italian control. Churchill referred to the necessity of constant readiness for a large-scale German attack. Great Britain will not seek any peace terms or permit any negotiations. "There will be no surrender by the people without a fight and their subjection as we have recently seen in other countries; we shall defend every village, every town and even every street in the vast city of London."

In the House of Lords, the First Lord of the Admiralty, Alexander, spoke in a similar vein.

Spain:

The appointments of General Moreno as Chief of the General Staff and General Grande as Military Governor of the area bordering on Gibraltar were announced. This would seem to indicate that military action against Gibraltar is being prepared.

Russia and Baltic States:

See Political Survey No. 163.

U.S.A.:

Roosevelt's declaration on the defensive character of the American Armed Forces and the non-intervention of American troops in Europe may be regarded as election tactics.

A general increase in propaganda for American assistance to Great Britain is noticeable.

Conference on the Situation with Chief, Naval Staff

Special Items:

Operation "Seeloewe": Verbal information from Armed Forces High

15 July 1940

CONFIDENTIAL

Command that the Fuehrer will demand that the Armed Forces operation be prepared so as to be ready for execution from 15 Aug. An order to this effect will follow. Further preparatory work will show if such an early deadline can be met in practice. The extent of the preparations, the difficulties that have already emerged and the extremely serious repercussions on German economy and the whole traffic system are so decisive that Naval Staff feels that any precipitation of its own measures and its estimate of the practicability of the operation, which will be a criterion for the Fuehrer's final decision, must definitely be avoided.

It may be assumed that, as in Norway, the Army will be given supreme command of the operation. The lack of time available and the necessary direct cooperation with the General Staffs of the Army and Air Force, as well as speedy adjustment of all measures to the orders of Armed Forces High Command, call, this time too, for extensive operational control of necessary naval measures by Naval Staff. The magnitude of the task and the manner of carrying out the most important preparations involved (such as requisition, assembly and fitting-up of transport tonnage) require that Naval Staff should not be confined by orders as in the case of other naval operations, but should itself largely assume responsibility and thus also issue detailed orders. Besides the work for which Naval Staff is responsible, the necessary preliminary work will be mainly in the hands of the Service Division, its Fleet Supply and Transport Branches, Naval (Ship) Construction Division and Group West. On the part of the Army, one Army Group and three subordinate Army Commands will be charged with details.

Preliminary work by the Navy, apart from the main plan of operation, includes the following as regards transport:

1. Thorough planning of the actual transport task in regard to disembarkation and embarkation and routes to be followed.
2. Preparation of the respective sea area to ensure safe passage of the transport fleet.
3. Establishment and operation of all necessary and possible measures for flank defense or sealing off of the respective sea area against enemy action.
4. Planning and preparation of operations by naval forces and submarines as relief for the actual transport operation.

15 July 1940

CONFIDENTIAL

Detailed operational plans are to be made by Naval Staff and execution of the operations with the forces assigned for the individual duties will be assumed by Group West.

It is already evident that, while concentrating on the main operation, execution of assignments in other parts of Group West's present operational area will have to be abandoned, in order to unite all forces in support of the main task. This will particularly apply to minesweeping and clearing activities, patrol duties and submarine chase and, in fact, will affect the disposition of all forces in the area Norway - North Sea - West Coast of France. Owing to the concentration of Group West's operational Staff on operation "Seeloewe", Naval Staff plans a change in organization by which the former operational areas North Sea, Northern Waters, Norway and Baltic Sea will be combined under a single Group Admiral, while the other Group Admiral will handle only the planning and execution of the new task. In this connection, Group West would best be transferred to wherever cooperation with the Army group involved is guaranteed. To this end, the most important requirement is to ensure proper communications and command channels between all commands involved, particularly between Naval Staff and the Group. Transfer of Naval Staff to the vicinity of Fuehrer Headquarters is to be planned and prepared.

For practical support of the Army group involved and of the three Army Commands concerning matters of naval operations and sea transport, Naval Staff orders the setting up of Naval Liaison Staffs.

(See letter to Officer Personnel Department of 15 July, file "Seeloewe".)

The Group Commands and Commanding Admiral, Submarines have been informed of considerations to date on preliminary work for "Seeloewe", so as to ensure as soon as possible that these Commands adjust their ideas to the new assignment. (See letter from Naval Staff I op 1023/40 of 15 July, file "Seeloewe" No. 4.)

In the conference on the situation with Chief, Naval Staff, Chief Naval Ordnance Division again pointed out the impossibility of providing effective fire to cover a landing operation on the enemy coast by long-range guns in the Flanders coast area. Regarding artillery organization in the Flanders area, Chief, Service Division suggests that the Somme-Scheldt area should be withdrawn from the area of the Admirals of the occupied coast and, as it will be involved for artillery operations, placed under Rear Admiral Fleischer as Admiral, Flanders. Chief, Naval Staff has agreed to this proposal.

15 July 1940

CONFIDENTIAL

In a discussion at the Berghof on the subject of artillery operations, the Fuehrer called for speeding up the installation of guns on the Channel coast so that they might be ready for operation by the middle of August at the latest. In particular, artillery cover should be provided on the flanks. As cover against British naval forces from the French coast would not alone suffice, owing to the long distance involved, the Army plans to ferry mobile batteries with the first wave. At this discussion, the Navy was again given the task of setting up as many heavy batteries as possible in the area of Calais and Boulogne.

Naval Staff is well aware of the extraordinary difficulties of the operation and of its own responsibility. As in the case of the Norwegian operation, the task of "preparing the invasion of England" now supersedes all others. From now on, all other matters of naval warfare must give way to the thorough and speedy preparation of this task and examination of the possibility of its execution. Therefore Chief, Naval Staff desires that all offices should concentrate all their energy and drive on this new task, ruthlessly setting aside all difficulties which arise. The course of the war so far shows that even apparently impossible operations and achievements can be successful thanks to superior leadership and the extraordinary driving power of the German Armed Forces based on their high morale. The difficulties of the operation will, as a matter of duty, be reported to the Fuehrer by Chief, Naval Staff. Similarly, Chief, Naval Staff will report to the Fuehrer in case further preliminary work or further developments in the military situation should prove execution of the operation to be impossible.

Situation 15 July

Special Reports on the Enemy

Atlantic:

Great Britain:

The aircraft carrier ARGUS is assumed to be in the area of Iceland. The ILLUSTRIOUS with gunboat PENZANCE has resumed exercises off the Bermuda Islands.

The reports from radio intelligence on Halifax convoys being

15 July 1940

CONFIDENTIAL

brought in on courses to the west of Northern England through the North Channel into the Irish Sea, are of special importance. Observations so far made thus indicate that British convoy traffic is being transferred to Northern Scotland, thus avoiding the Channel owing to the increasing threat by planes and submarines from the occupied French Channel coast and west coast. This would explain the concentration of British naval forces in the area of Northern Scotland and Scapa.

The cruiser CUMBERLAND has been reported en route from Freetown to South Africa.

France:

Owing to the British blockade Martinique is reported to be running very short of food. According to the press, there are three submarines and some gunboats, auxiliary cruisers and other vessels at Martinique beside the BEARN, JEANNE D'ARC and EMILE BERTIN listed by the Armistice Commission.

According to an Italian report, fifteen British transports landed at Casablanca 25,000 French soldiers (Alpine troops from the Norway expedition and formations from Flanders) who had asked to be repatriated.

The French Armistice Commission advises that operational orders issued by the French Admiralty aim at extension of the zone of action for patrol vessels off French ports and laying down of rules for procedure by warships escorting shipping permitted in the Western Mediterranean. The only offensive operations considered are air reprisals against the Fleet at Gibraltar and some of the British forces along the French coasts.

On 7 July several submarines took over patrol of the French - African coast in the Casablanca area, by order of the French Admiralty.

North Sea/Northern Waters:

The following distribution of British naval forces in northern Scottish waters and off the east coast must be assumed:

Scapa Area: Old battleships RODNEY, BARHAM (reappeared for the first time since the beginning of June on 15 July and notified for Scapa), NELSON, cruisers SUSSEX, SHROPSHIRE, GLASGOW, AURORA and COVENTRY.

15 July 1940

CONFIDENTIAL

The RENOWN and REPULSE have not appeared for some time.

Rosyth Area: Cruisers EDINBURGH, MANCHESTER, CURACAO and CAIRO.

Area of Humber and Downs: Cruisers BIRMINGHAM, SHEFFIELD, YORK, GALATEA and CARDIFF. In addition there are destroyers in all areas.

In Dover Area: during the day, three destroyers and at night, two destroyers on patrol. Two more destroyers are standing by at half hour readiness.

In Harwich Area: an average of three destroyers are on patrol.

Own Situation

Atlantic:

Ship "21" reports completion of assignment in grid square DP. She plans temporary withdrawal to grid square DQ.

The auxiliary cruisers were informed of movements of steamers and forces.

Norway:

Transports with personnel (SS) and material (for establishing batteries) now running in north Norwegian waters are escorted only by patrol boats and minesweepers. Up to now there has been no interference by the enemy, but it is to be expected as long as the naval forces (cruisers and destroyers) lying at Trondheim remain inactive in port as heretofore. The complete inactivity of these forces and the full commitment of small vessels which are at present carrying the burden of escort duties alone is absolutely contrary to the wishes of Naval Staff. Reports of the sighting of suspicious vessels, possibly also destroyers, which have come in recently from the north Norwegian area draw particular attention to the possibilities of operations in that area.

Group West has therefore been advised as follows (referring to I op 987/40 of 1 July and I op 980/40 of 27 June):

1. Reports received concerning transportation of valuable cargoes

15 July 1940

CONFIDENTIAL

from Petsamo to Great Britain indicate further possibilities of employing naval forces from Trondheim. The reports of Commanding Admiral, Norway on the sighting of suspicious vessels probably refer to this traffic.

2. The possibility of the appearance of enemy destroyers in the area of northern Norway, mentioned in these reports, also reveals the increased necessity for the protection of Narvik transport traffic by naval forces.

Trondheim:

Owing to danger of mines Yttre Fjord was closed. Minesweeping has been started by the 1st Minesweeper Flotilla. Drifting mines were sighted off Halten.

North Sea:

A formation of six minelayers escorted by four torpedo boats and three minesweepers put out for the North Sea operational area during the night of 15 July, for extension of the North Sea declared area barrages.

English Channel:

The 1st PT Boat Flotilla made a sweep towards the area between Portsmouth and Brighton.

During the night of 14 July the 2nd PT Boat Flotilla made a sweep from Boulogne into the area south of Brighton. Nothing was sighted except patrol boats and British PT boats.

Admiral, Northern France reports that, in spite of daily raids by the Air Force, convoy traffic in the Channel continues. As naval battery "Grosser Kurfuerst" cannot be ready for operation before the beginning of Aug. the Admiral asks for immediate action by at least one heavy motorized Army battery K3.

This matter will be settled in the course of the artillery defense measures which are to be expedited along the Channel coast. In regard to complete cessation of any shipping through the Strait, Naval Staff plans to allow immediate action as soon as the batteries are ready to fire.

15 July 1940

CONFIDENTIAL

Skagerrak/Kattegat:

During the night of 15 July there were enemy air incursions as far as Copenhagen. Minelaying is suspected in Eckernfoerde Bay, the Belts and the Sound near Copenhagen. Check-sweeping of the area of Lim Fjord and east of Hasseloe yielded no results.

Transport situation according to plan.

War against merchant shipping: no results. Up to now Ship "23" has reported surprisingly little shipping in the eastern part of the Baltic Sea.

Submarine Situation

U "A" has so far reported sinking 23,600 G.R.T. Owing to shortage of fuel, action against Freetown will not be possible until after meeting the auxiliary cruisers. No enemy shipping was reported in the Canary Islands area and little off Sao Vicente.

U "43" was ordered to return to Wilhelmshaven, taking every opportunity for attacks on the way.

U "58" sank a tanker of 9,000 tons from a convoy. She is proceeding to the North Channel, where there are also U "56" and U "61".
U "62" is between the Shetland Islands and the Hebrides.

Situation Mediterranean

See Vol. Situation Mediterranean.

Nothing to report.

Group CESARE - BOLZANO was transferred to Spezia and group CAVOUR - DUILIO to Taranto.

15 July 1940

CONFIDENTIAL

Air Situation

See Air Force Events of the Day.

In the course of armed reconnaissance, successful attacks were made on British convoys and unaccompanied steamers off the British southeast coast and in the Bristol Channel. One tanker was sunk and several steamers seriously damaged.

Harassing raids against harbor installations in Cardiff, industrial plants and airfields. In Portland, one 10,000 ton steamer was sunk.

During the night of 15 July the 9th Air Division carried out minelaying missions off Liverpool and in the Clyde.

According to the Liaison Officer, the 5th Air Force has been ordered to reconnoiter and raid Scapa.

Merchant Shipping

In response to several French requests for permission to transfer single vessels from one French port to another, Commanding Admiral, France has granted permission for essential coastal traffic in western France subject to control.

16 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Worldwide comment on Mr. Churchill's speech points out that all possibility of an understanding with Germany is now ended. In the United States, especially, his resolution and unbounded hope of victory is emphasized and the speech is described as a striking answer to pessimism.

In reply to a corresponding Italian warning to shipping in Allied coastal waters, the British Admiralty has announced a declared area for ships proceeding within the Italian 30 mile limit.

U.S.A.:

Open sympathy with England was expressed at the Assembly of the Democratic Party. All possible material assistance to Great Britain this side of war was advocated. Speeding up of support is to be expected after Roosevelt's nomination as candidate.

Baltic States:

See Political Survey. Union of the three Baltic States with the Soviet Union is to be expected in the near future.

Hungary:

The German Embassy reports that the Hungarian Government is willing to negotiate with Rumania on condition that effective territorial concessions are made. Trifling frontier adjustments would not be accepted by Hungary. Hungary's aim is to incorporate as many Hungarians and as few Rumanians as possible. An exchange of populations would be desirable.

Turkey:

Turkey's attitude continues to be obscure. The Foreign Minister, Saracoglu, who has been seriously compromised by German publication of documents, still retains office, evidently because internal political reasons prevent his resignation. Still no information on Russian demands or Russo-Turkish negotiations on a new settlement and investigation of the Straits question.

16 July 1940

CONFIDENTIAL

Japan:

Japan has sent a note requesting Great Britain to leave the Chinese ports of Fuchow, Swatow, Wenchow and Ningpo in view of blockade measures and military operations from 16 July. The British authorities have refused to comply and will consider Japan responsible for all losses and damage.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Operation "Seeloewe": Plan of Naval Staff concerning change in organization of the areas of Group Commanders: Group North will take over the tasks of Group West and Group Baltic. Commanding Admirals, Defenses, North and Baltic, Commander, Minesweepers, Baltic, Commanders, Naval Air and Air Commanders, North and Baltic will be subordinated to Group North. For elaboration and execution of the new main operation "Seeloewe", former Group West will be transferred to France. The following commands will be subordinated to the Group: Commanding Admiral, Naval Forces, West; Commanding Admiral, Defenses, West; Commander, Minesweepers, West and Air Commander, West.

Chief, Naval Staff is in accord. (See also 17 July.)

2. Report of Chief, Operations Branch on preliminary considerations of Naval Staff concerning bases for defense of a future German colonial Empire and protection of the routes thereto. Naval Staff's demands are based on the supposition that, apart from the former German colonies of Togo, Cameroons and German East Africa, only ex-French and Belgian colonies are to be considered in the main. Dakar, Konakry, Freetown (Brit.), Duala, Pointe Noire, Boma (Belg.) are suggested as bases on the west coast of Africa.

On the east coast of Africa: Zanzibar (Brit.), Dar es Salaam, Mombasa-Kilindini, Diego Suarez.

The following are considered of great value to German naval warfare:

On the west coast: Fernando Po, Sao Thomé, St. Helena, Ascension.

16 July 1940

CONFIDENTIAL

On the east coast: Pemba, the Comoro Islands, Reunion, Seychelles, Mauritius.

In order to bridge over the communication by sea from the homeland to the colonies, possession of at least one intermediate base in the Azores (or Canary Islands?) would be necessary. In regard to Iceland and the Faroes, it is assumed that in the course of the new political order in Europe, German influence over and some military use of these islands will be possible.

Chief, Naval Staff plans to make a report to the Fuehrer on the matter of bases.

The study is to be concluded and will be submitted to Armed Forces High Command and to the Colonial Office (von Epp). (See War Diary, Naval Staff, Volume Colonies and Bases.)

Situation 16 July

Special Reports on the Enemy

Atlantic:

Radio intelligence reports that convoy HX 58, which left Halifax on 15 July, is to be brought in via a point approximately 300 miles west of the southern tip of the Hebrides. Presumably the convoy is bound for the North Channel. This observation confirms the assumption from former reports that enemy convoys no longer use the southern route but proceed north of Ireland to the supply ports.

The damage to auxiliary cruiser CORFU off Freetown on 12 July was not caused by a torpedo from a submarine, as had been thought, but was due to a collision.

Indian Ocean:

According to information from the Japanese Navy, a convoy with approximately 1,000 Australian troops and 300 aircraft mechanics has left Singapore via Africa for Great Britain. Furthermore, on 20 July 40 Blenheim bombers will take off from Singapore for Karachi, with ultimate destination the Mediterranean and Great Britain.

16 July 1940

CONFIDENTIAL

This report, together with other information, points to large-scale withdrawal of British fighting forces from the base of Singapore. Great Britain is evidently compelled by the development of the situation at home and in the Mediterranean seriously to neglect the defense of her base there.

North Sea:

On the morning of 16 July a Task Force "C" was formed from the vessels in Scapa, consisting of the cruisers SUSSEX, SHROPSHIRE, SOUTHAMPTON, GLASGOW and eight destroyers. At 0630, the Task Force was ordered to put out at once. At 1620 air reconnaissance reported 2 heavy cruisers, 2 light cruisers and 7 destroyers approximately 190 miles west of Lister, course 120°, speed 20 knots.

The departure of this British formation a few hours after our minelaying formation had left port is particularly striking. It is possible that the minelaying formation was sighted by an enemy submarine and was reported on an unknown radio wave. At 1720 the enemy Task Force split into two formations of one heavy and one light cruiser each and turned away on course 280°.

The battleship NELSON with the 18th Cruiser Squadron is at sea west of the Orkneys. According to radio intelligence the RENOWN and REPULSE are also at sea.

For distribution and activities of British naval forces during the week ending 14 July, see Radio Monitoring Report No. 28/40. Of note are the statements in the report on the British efforts to defend their vital supplies and preparations for defense against an invasion, which are expressed in the following measures:

1. Diversion of merchant shipping into less dangerous areas. Convoys hitherto proceeding westward through the Channel from the Thames and disbanding west of the Channel are now running along the east coast to the north and from there into the Atlantic.

Convoys coming from the Atlantic now usually approach the English coast north of Ireland, from where most of them proceed on to the North Channel.

2. Reinforcement of naval forces in the northern Scotland and

16 July 1940

CONFIDENTIAL

Scapa areas to defend the new shipping routes.

3. Announcement of mined areas in the vicinity of these new shipping lanes. The waters between the Orkneys and Iceland and between Iceland and Greenland are declared endangered by mines by the British Admiralty. However, no major minelaying operations have so far been noted. Therefore announcement of declared areas is probably intended as a deterrent.
4. Establishment of a well-organized coastal defense service by cruisers and destroyers off the east coast.
5. Instructions on prevention of possible use by German invasion forces of British coastal batteries, ships and small vessels.

Own Situation

Atlantic:

Despite request, Ship "16" has not transmitted her short radio signal. She must now be in the western part of the Indian Ocean. Possibly there is no radio communication at present.

As the nature of the assignment, completion of which was reported by Ship "21", is not known to Naval Staff, it is assumed that the report referred to a sinking.

She has been informed accordingly.

Norway:

Nothing to report. Continuation of transport traffic in the north Norwegian area without incident. The 1st Patrol Boat Flotilla and Ship "47" are proceeding to Kirkenes.

Trondheim:

Commanding Admiral, Scouting Force reports his plan for battle exercises to be carried out in the next few days by the NUERNBERG and HIPPER in the fjords. NUERNBERG will be based on Trondheim, HIPPER on Levanger. The battleship GNEISENAU is expected to

16 July 1940

CONFIDENTIAL

complete her repairs by 19 July. She will then carry out trial runs. Commander, Destroyers will continue navigational and battle exercises in Trondheim Fjord.

Coastal Defense Norway:

Naval Staff has ordered a review of coastal defense measures in Norway. In view of the need to guarantee sufficient defense for the entire Dutch, Belgian and French Channel and Atlantic coasts, Naval Staff is unable to release further batteries for Norway in addition to the former home batteries "Goeben", "von Koester", "von der Groeben", "Bismarck" and "Memel-Sued" already sent to Norway and the seventeen 15 cm. and twelve 10.5 cm. guns also made available. It must also be considered that some defense of the German Baltic Sea coast is again necessary and that preparations for colonial tasks have to be made. On the other hand, the number of serviceable coastal guns captured in the west area was comparatively small. A request to Armed Forces High Command for an assignment of Army guns for coast defense had to be refused owing to other commitments. Therefore, the situation is such that Norway will have to manage with the guns on hand (approximately 70 captured guns and some 50 German guns of 10 cm. upward). Naval Staff, however, considers that the coast defense of Oslo and Kristiansand planned by Commanding Admiral, Norway is too strong in respect to the slight probability of an attack on southern Norway, and that possibly, in view of the emergency, still less important batteries might be spared from other points. Naval Staff also takes the view that an excessive number of soldiers on the coast is not advisable for practical and psychological reasons.

Commanding Admiral, Norway has been ordered to review the coastal defense system of Norway in the light of the above.

North Sea:

In view of reports on the enemy received up to 1715, the minelaying formation was ordered to return to Wilhelmshaven. A bombing attack on the enemy by a shadowing plane was unsuccessful. Owing to fog, contact was temporarily interrupted and had to be broken off at 1900. Reconnaissance planes again took off but, owing to deteriorating weather conditions, were unable to make contact with the enemy. Our own minelaying formation was attacked by British bombers without result.

In view of the enemy situation it was right for the Group to break

16 July 1940

CONFIDENTIAL

off the minelaying operation, even though, as radio monitoring later revealed, the enemy himself started on return passage at the same time.

English Channel:

A sweep by PT boats during the night of 15 July yielded no results. One torpedo, fired at a patrol boat, missed.

France:

The entrance to Brest is reported free of mines; the entrance to St. Nazaire has so far only been swept by French drifters for aerial mines; no results. Further minesweeping is in progress.

Skagerrak/Kattegat/Baltic Sea Entrances:

Mine situation: North of Drogden lighthouse the motorship JASON struck a mine and sank. The Drogden channel has been closed. Patrol boat "104" swept some ground mines with magnet gear in the Langeland Belt. Transport traffic to Norway as scheduled.

Submarine Situation

In the Atlantic: submarines U "A", U "30", U "52", U "99", U "26" (?), U "102" (?), U "122" (?).

Off the North Channel: U "56", U "61", U "58".

Between the Shetlands and Hebrides: U "62".

On passage into the operational area: U "57".

Submarine U "56" off the North Channel reports several misses or failures against convoys. She will put in to Lorient on 19 July.

Radio intelligence detected an enemy submarine chase off the Lizard.

16 July 1940

CONFIDENTIAL

Mediterranean

On 15 July the following warships were in Gibraltar: battlecruiser HOOD, old battleships RESOLUTION and VALIANT, aircraft carrier ARK ROYAL and three cruisers including ENTERPRISE and DELHI. There is no clear information on the damage to the British forces. HOOD, ARK ROYAL and two destroyers were certainly damaged. According to an Italian report, ARK ROYAL's flight deck was seriously damaged (see radiogram 1100).

No information has been received on the results of the air raids and torpedo carrier operation against the RAMILLIES group which is on its way to Alexandria.

Air Situation

Our own and the enemy's bombing activities off the Atlantic coast in the Channel area and over England were hindered by bad weather. In an operation on 15 July the 3rd Air Force achieved several successes against enemy merchant shipping.

Merchant Shipping

According to Group Baltic, surprisingly little traffic was observed during operations against merchant shipping in the eastern part of the Baltic Sea; genuine neutral consignors and consignees only. Neutral shipowners are refusing to carry enemy mail and Allied subjects.

17 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

All foreign and especially British newspapers comment extensively on the large-scale German attack on Great Britain which is expected shortly. In discussions on a possible invasion it is stated that thousands of barges and other vessels are already concentrated along the Atlantic and Channel coasts. An attack on Dover and vicinity is considered the most likely, although the British have built up their strongest defense in that area. Heavy air raids lasting several days are expected before the start of the invasion.

The German Chargé d'Affaires in Washington reports on the effect of German air raids on Great Britain. During recent weeks the raids are said to have caused considerable damage. In Southampton, wheat stores were destroyed by fire and large oil depots and factories were destroyed or damaged. There can be no doubt that industrial production has suffered heavily. The accurate aim of the German bombers is said to be astonishing. Mention is made of special high-performance bomb-sights.

The interruption of imports from almost the entire European continent and from North Africa is said to be severely felt and to accentuate the effectiveness of the German air raids.

The possibility of German heavy and very heavy batteries being set up near Calais and shelling harbor installations from London to Sheerness and along the Thames is reckoned with in well-informed circles.

For additional statements on British actions against French naval forces see Political Survey No. 165 and Foreign Press Report No. 166.

France:

The British Treasury has officially designated the French territories that are to be regarded as enemy areas. Corsica, Algeria, Morocco and Tunisia are considered as enemy territory, while the French West Indies, French West Africa, Syria and Indo China are regarded as Allies. Similarly, the Dutch Indies and Belgian Congo are regarded as Allies.

Naval Staff relates this declaration only to British trade and blockade measures. Thus trade with Allied territory will be permitted and that with enemy territory prohibited.

17 July 1940

CONFIDENTIAL

Spain:

In diplomatic circles it is rumored that Great Britain will attempt to negotiate direct with Spain in regard to Gibraltar. On the other hand, Spain is said to hold the view that, after Britain's expected defeat, Gibraltar will in any case fall to Spain. She therefore does not consider it necessary to enter the war on the side of the Axis Powers.

Japan:

On 16 July the Japanese Cabinet resigned. Prince Konoye is considered to have the best chance to form a new cabinet.

Conference on the Situation with Chief, Naval Staff

Special Items:

Operation "Seelowe":

I. Report on order No. 16 of Armed Forces High Command (33160/40 gkdos Chfs. of 16 July):

The order contains the Fuehrer's decision for preparation and possible execution of the invasion of England with the aim of eliminating the British Isles as a base for continuing the war against Germany and, if necessary, their complete occupation.

- a. The invasion would take the form of a surprise crossing on a broad front from Ramsgate to west of the Isle of Wight. The Services should examine the advisability of previous small-scale actions (Wight, Cornwall). Completion of preparations has been called for by the middle of August.
- b. Essential for the operation: Defeat of the Royal Air Force, provision of mine-free channels, strong flanking mine defense, control of coastal waters by strong coastal artillery, tying down British naval forces and their previous weakening.

- c. Operational control by the Fuehrer. As from 1 Aug., Operations Staffs of the Services will be located within a radius of 50 km. from the Fuehrer Headquarters.

The tasks of the Navy will be: requisitioning of transports - transfer to individual embarkation areas - establishment at each crossing point of the naval staffs necessary to give advice on naval matters, together with depot ships and defense forces - defense of the whole Channel crossing on both flanks - establishment of coastal artillery and uniform organization of all batteries operating against targets at sea. General organization of fire control - employment of greatest possible number of very heavy guns.

Naval Staff takes Order No. 16 as implying the Fuehrer's consent to the immediate start of material preparations. In view of the Navy's great responsibility and the enormous repercussions which material preparations will have on the German economy, the transport situation, the entire traffic system, the inland waterways, the armament industry etc., Naval Staff considers it to be its duty to ask Armed Forces High Command to confirm once more definitely the consent of the Fuehrer to the immediate starting of practical material preparations. In a letter to Armed Forces High Command, Operations Staff (see File "Seeloewe" page 8), Naval Staff points out, to the best of its ability, how far these preparations will probably affect matters of materials and dockyards as well as those of economy and traffic.

It appears that High Command, Army which a short time ago, strongly opposed such an operation, has now put aside all its doubts and regards the operation as entirely practicable, undoubtedly lacking knowledge of, or at least full information on the difficulties in regard to sea transport and its protection and the exceptional danger to the whole Army taking part in the operation. Naval Staff is, on the contrary, convinced that, if the enemy takes the proper course, the success of the operation would be doubtful. While the Norwegian campaign entailed all-out operations by the Navy, all-out operation by the Army troops involved must be risked in this case. Besides the still questionable requisitioning of transport tonnage in time, and extensive conversions, the great factors of uncertainty which must be reckoned with are:

1. The questionable likelihood of obtaining absolute air

supremacy, which is essential.

2. The uncertainty as to how completely safety from mines up to the enemy coast can be established.
3. Lack of knowledge as to how the British Fleet, which is in full operational readiness, will react (largely dependent on the weather) and its operational possibilities.

Assessment of the situation by Naval Staff has not yet been completed. It will depend on the results of further preliminary work for which purpose a special staff has been set up in the Operations Division.

Order No. 16 has changed the position in regard to transport tonnage to be employed. Whereas, up to now, a Channel crossing was to be assumed only in the narrower section, approximately between Etaples - Hastings and Calais - Deal, now the most westerly transport route has been extended to the line Cherbourg - Lyme Bay. This makes it necessary to use also bigger and faster ships as transports.

Service Division, Transport Branch has been ordered to arrange for suitable requisitions immediately. (See File "Seeloewe", page 9).

- II. The change in command organization necessitated by the new assignment is seen from Naval Staff order I op. 1030/40 of 17 July in File "Seeloewe", Order No. 7.
- III. Preliminary views of Naval Staff on the possibilities and limitations of minelaying and minesweeping in the eastern part of the Channel are laid down in a report (IE 966/40 of 17 June). (See file "Seeloewe", page 6.)
- IV. Artillery operations on the Channel coast: The guns to be emplaced in the area of Cape Gris Nez are primarily for use against sea targets. Support for the Army and the landing on the British coast is to be provided by Stuka planes.
- V. Chief, Naval Staff orders that the return of the GNEISENAU is to be carried out in suitable weather conditions and with strong escort forces. The idea of leaving the GNEISENAU group in the Norway area to act as a diversion in case of operation

17 July 1940

CONFIDENTIAL

"Seeloewe", is rejected, since the enemy has knowledge of her reduced operational readiness. Therefore, a successful diversion could not be expected.

If the GNEISENAU returns, the cruiser HIPPER is to remain in the Trondheim area at first. Her use against the Petsamo traffic is to be planned.

Situation 17 July

Special Reports on the Enemy

Atlantic:

Distribution of forces:

On 18 July the cruiser SHROPSHIRE plans to enter Greenock. The cruiser CORNWALL entered Liverpool yesterday.

Radio intelligence has detected active convoy traffic towards northern waters. Convoy HX 55 split up at approximately 56° N 9° 34' W; while one part is proceeding to the Clyde, the other part has been ordered to the east coast via northern Scotland and will pass Cape Wrath during the night of 17 July escorted by a destroyer. From a situation report of 16 July from Commander, Western Approaches it is learned that there were four convoys at latitude approximately 55°, 500 miles, 300 miles and 100 miles west of the North Channel. The strength of the convoys is not known.

The destroyers DOUGLAS, HURRICANE, WATCHMAN, KEPPEL, VORTIGERN, and ACTIVE, previously on patrol duty at Gibraltar, are on their way to Great Britain to relieve the extremely difficult situation in the home area due to lack of escort forces. They were advised of the danger of German air raids at dawn or dusk up to a distance of 160 miles from Brest. The cruiser DUNEDIN, hitherto operating off Martinique, is en route to the Bermudas.

The auxiliary cruiser ASTURIA, so far on duty with the Northern Patrol, has been located in the South Atlantic.

17 July 1940

CONFIDENTIAL

France:

In answer to an inquiry by the German Armistice Commission, General Huntzinger stated that the BÉARN was caught by surprise at the conclusion of the Armistice treaty while carrying 43 fighters, 48 bombers and 25 courier planes from Halifax to France. She was ordered to proceed to Martinique with the JEANNE D'ARC and EMILE BERTIN. Commanding Admiral, Antilles has orders to unload the planes and to bring them to a safe place. The Armistice Commission undertakes that the planes shall not fall into the hands of a foreign power in good condition.

The French Admiralty has issued an order to Saigon and other commands overseas and in Africa that, in accordance with Armistice conditions, French merchantmen may not leave French ports until further notice.

North Sea/Northern Waters:

According to radio intelligence, the British submarine CLYDE is in the area of Stadtlandet, the submarine TRUANT is off the southwest coast of Norway and an unknown submarine is southwest of Lister. The submarine TETRARCH is on return passage from Egersund to Rosyth.

Vessels of Task Force "C" were identified at sea still in the morning. Commander, 18th Cruiser Squadron, probably aboard the cruiser SOUTHAMPTON is in command. Radio monitoring reports that on the evening of 16 July one vessel of Task Force "C", presumably the destroyer IMOGEN, was damaged apparently by collision. The Admiralty announces the loss of the auxiliary VANDYK (13,241 tons) off the Norwegian coast during a German air raid on 10 July.

Own Situation

Atlantic:

Ship "10" (Capt. Kaehler) reports by short signal the sinking so far of five steamers totaling 26,000 G.R.T.

An unidentified French station reported to Fort de France the arrival of survivors of two British steamers, which were sunk by

17 July 1940

CONFIDENTIAL

an armed German ship of 9,000 tons on 13 July. (This explains Ship "21"'s report of 14 July on completion of her task.)

The Atlantic ships were informed of enemy movements. (See radiograms 0213 and 0815.)

Norway:

Transport traffic in the north Norwegian area was continued as planned.

The 1st Patrol Boat Flotilla is en route to Kirkenes with an SS transport. The steamer LEVANTE and Ship "11", escorted by minesweepers M "2" and M "6", are proceeding to Tromsø. Minesweeping in Yttre Fjord is being continued by the 1st Minesweeper Flotilla. So far 16 mines have been swept.

North Sea:

The minelaying formation entered the Jade in the morning.

English Channel and West Coast of France:

During the night of 16 July the 2nd* PT Boat Flotilla put out to sea on a minelaying assignment in unfavorable weather conditions. The planned mining of the inner convoy route off the Thames could not be carried out owing to rough seas. However, 16 mines were laid in the southern part of the outer convoy route. The boats returned to Boulogne.

The 2nd* PT Boat Flotilla made a sortie against the convoy route off Folkestone.

The entrance to Brest is free of mines; the entrance to St. Nazaire has been swept for aerial mines by the 2nd Motor Minesweeper Flotilla without result.

Mine Situation in the Channel:

Owing to the changed situation (see order for "Seeloewe"), the southern limit of the minelaying area was changed from 51° 10' N to 51° 20' N. Instructions to this effect have been sent to Group West, Commander in Chief, Air Force and Commanding Admiral, Submarines.

* In one case probably meant to read 1st PT Boat Flotilla (Tr. N.).

17 July 1940

CONFIDENTIAL

The island of Ouessant has been occupied by troops of the 6th Army Command taken over on boats of the 2nd Motor Minesweeper Flotilla.

Commanding Admiral, France reports that since two prize ships have entered Lorient, the harbor can accommodate only two more medium-sized steamers of up to 5,000 tons at the most. The following are therefore suggested as prize harbors:

1. Brest.
2. St. Nazaire.
3. Gironde estuary, subject to assessment of our own aerial mine situation.

Skagerrak/Kattegat/Western Baltic:

During the night of 17 July there were enemy flights over Northern Jutland. Minelaying over Lymfjord and in the area between Frederikshavn and Laesoe is assumed.

Transport traffic as scheduled.

In the course of merchant shipping control in the western outlet of the Skagerrak, one Danish steamer loaded with rye was stopped and given course instructions.

Mine Situation

Sweeping of the "Jade 4" barrage has been completed.

Submarine Situation

In the Atlantic operational area: U "A", U "30", U "52", U "99", U "62" (between the Shetlands and the Hebrides). Off the North Channel: U "56", U "61", U "58". U "56" is to enter Lorient on 21 July.

17 July 1940

CONFIDENTIAL

On return passage: U "43", northwest of Ireland, proceeding home; U "34" proceeding to Lorient, expected to put in on 18 July.

Submarine losses:

According to Reuter, an ocean-going German submarine was recently sunk by Sunderland flying-boats in the Atlantic. The crew was picked up by a sloop. As submarines U "26", U "102" and U "122" have not replied to inquiries, it must be assumed that one of them is involved.

Air Situation

See Air Force Events of the Day.

A mission against light forces in the Firth of Forth and against convoy shipping was carried out. Results not observed. Harassing attacks against ports and industrial plants were continued; among others, direct hits were scored on the torpedo factory near Greenock.

The 9th Air Division carried out minelaying off Thames-Haven, Portishead, Swansea, Fowey and Plymouth.

Mediterranean

On 14 July the British forces returned to Alexandria.

Nothing else to report. For details of British forces in Alexandria see Situation 18 July in Volume "Mediterranean".

18 July 1940

CONFIDENTIAL

Items of Political Importance

France:

The French Foreign Minister, Baudoin, declared that before any resumption of friendly diplomatic relations with Great Britain becomes possible, full compensation will have to be made for the losses caused by the British attacks on the French Fleet.

Japan:

Prince Konoye was charged with the re-formation of the Cabinet. Konoye's program is said to include three aims:

- a. Creation of one large, united political party;
- b. Formation of a new and active Government;
- c. Extensive reform of domestic and foreign policies.

Before assuming his duties, Konoye made sure of the approval of the Army. Appointments for the individual ministries have not yet been made; until they have been, it cannot be said whether the Konoye Government is still a temporary Cabinet or is in fact a strong national Cabinet which will take up an active policy on the side of the Axis powers.

On 17 July the Anglo-Japanese agreement on the closing of merchant routes to China was concluded.

It provides that:

- a. The export of weapons and ammunition from Hongkong - which has been prohibited since Jan. 1939 but was still carried on to a small extent - shall in future cease entirely.
- b. For a period of three months, Great Britain is to prohibit the transit of weapons, ammunition, petroleum, trucks and railroad material for Burma.
- c. The Japanese consular officials in Hongkong and Rangoon have been instructed to maintain close contact with the British authorities in making this prohibition effective.

In every respect this agreement implies concessions by Great Britain. The direct rights of the Japanese to carry out inspections

and controls on British territory are particularly difficult for Great Britain. The cutting-off of China's former supply routes via Indo-China, Hongkong and Southern China will undoubtedly have serious repercussions on Chiang-Kai-Chek's powers of resistance.

Conference on the Situation with Chief, Naval Staff

Special Items:

I. Operation "Seelowe":

1. Yesterday a discussion was held between Commander in Chief, Army and Commander in Chief, Navy. The Army plans to use three groups for the invasion: one in the Ramsgate-Dover area, one in the Dover-Wight area and one west of the Isle of Wight. The possibility of guaranteeing safety from mines for the transport operation was decisively refuted by Commander in Chief, Navy. In the opinion of Commander in Chief, Army, concerning tactics on land the operation would have to be executed by the middle of September. It was estimated that one month should be allowed for the operation. From October fog period.

Commander in Chief, Navy spoke of the need for the entire requisitioning of transport vessels to remain with the Navy alone. Uniform control was essential.

In the conviction that the Army does not yet realize the difficulties of the operation, Commander in Chief, Navy pointed out to Commander in Chief, Army that the danger involved is so great as to raise the possibility of the loss of the whole Army involved just as, in the Norwegian campaign, the fate of the entire German Fleet was at stake.

2. The Fuehrer and Supreme Commander desires an early report as to whether the Navy considers it possible to execute the operation from the planned date of 15 Aug.

It is already evident that the extent and nature of the preparations will not permit of an operation on 15 Aug. The earliest date would be the end of Aug. or beginning of Sep. In particular, it must be pointed out that the

transfer of any transport and minesweeping forces and the beginning of scheduled minesweeping and clearance work depends on the date when a sufficient degree of air superiority has been established.

- II. Sweden has advised that the release to Great Britain of territorial soldiers interned in Sweden has become necessary since, in view of the release of German internees and the transit to and from northern Norway, Sweden's position in regard to England has become difficult. The Fuehrer has stated his agreement.
- III. Estonia's plan to acquire two submarines has had to be abandoned due to the changed situation between her and Russia.

Discussion between Chief, Operations Division, Naval Staff (Rear Admiral Fricke) and the Naval Staff Liaison Officer attached to the Italian Naval Staff (Rear Admiral Weichold):

1. The Italian High Command proposes a meeting between authorized representatives of both Naval Staffs for the purpose of reviewing the changed strategic situation and laying down principles for the future joint conduct of naval warfare against Great Britain.
2. In view of the great restriction of merchant traffic and of the movements of the British naval forces in the Mediterranean, the Italian Navy now expects to be able to use more Italian submarines in the Atlantic. The question of Atlantic bases being available to Italian submarines must be examined. In this respect, Admiral Weichold was given the following instructions:
 - a. Naval Staff welcomes the Royal Italian Navy's plan to carry out submarine warfare in the Atlantic with boats capable of long-range operations.
 - b. It is suggested that the operational areas should be limited as follows: German submarines to operate north of 40° latitude; Italian submarines south thereof.
 - c. Naval Staff is willing to place a base on the French

18 July 1940

CONFIDENTIAL

Atlantic coast at the disposal of the Royal Italian Navy and suggests the port of Bayonne.

- d. Naval Staff requests that no meeting of authorized representatives of both Navies be called at this time, as it is particularly occupied with urgent tasks at present.
- e. The Liaison Officer was instructed to discuss with the Italian Navy all matters concerning the desired base. In particular it must be established exactly what the requirements of the Italian Navy are. If it is intended that Italian submarines be stationed permanently on the French Atlantic coast, rather than using the base merely for replenishment of equipment and fuel, it would be necessary for the Royal Italian Navy not only to establish and operate suitable repair facilities at the base but also to provide defense against attacks from the air and sea. Likewise the Italian Navy must set up adequate communications between the base and the Italian Naval Staff and, if necessary, also a radio station for communicating with the boats operating in the Atlantic.
- f. As soon as Naval Staff is advised of the detailed requirements of the Italian Naval Staff in regard to establishment of the proposed base, a meeting of authorized representatives will be arranged.

Situation 18 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Movements: The cruiser VINDICTIVE is en route from Devonport to the Irish Sea. On 17 July the auxiliary cruisers RAJPUTANA and ALAUNIA left Halifax.

On 17 July the cruiser HAWKINS left Montevideo.

18 July 1940

CONFIDENTIAL

A radiogram from Commander in Chief, Mediterranean Fleet reveals that the Admiralty intends to attack any French warship which is bound for an "enemy" port. Special instructions for submarines will be issued on the basis of the Nyon agreement.

According to a report from the Embassy at Lisbon, the British convoy system has apparently not been functioning recently for ships coming from the south. Loaded steamers have had to wait up to six days in port until they received orders to put out. The delays are attributed to the elimination of Gibraltar and Casablanca as ports for convoys.

France:

From Fort de France the Admiralty was informed that the British blockade (of Martinique) has slackened during the last few days. According to United Press, Great Britain has lifted the blockade and suggested a peaceful solution to the French authorities.

North Sea/Northern Waters:

Radio intelligence detected two British destroyer groups with the large destroyer BEDOUIN or ASHANTI in command, presumably in the area approximately 100 miles northwest of Stadtlandet.

On 17 July, when Task Force "C" returned, the destroyer IMOGEN was rammed by the cruiser GLASGOW in fog and sank. The cruiser was also damaged. On 18 July, several convoys were detected off the east coast and were attacked by the Air Force (among them part-convoy HX 55a).

English Channel:

Air reconnaissance reports considerable shipping off the British coast. (Unaccompanied steamers and small groups of ships.) Shipping was particularly active from the Thames estuary in the direction of Great Yarmouth.

Own Situation

Atlantic:

The Naval Attaché, Tokyo reports that the Japanese Navy has

18 July 1940

CONFIDENTIAL

requested the course and date of arrival of supply ship WINNETOU with a view to air reconnaissance and escort. Ship "36" was ordered to transmit the relative information by radio, as far as the situation allows, or to report the date and position of dismissal.

The Japanese Navy was informed that the report would be forthcoming if possible but could not be guaranteed in view of radio silence.

Ship "45": In view of a report from the Naval Attaché, Moscow, the auxiliary cruiser was informed that there is still very thick ice in the Novaya Zemlya passage so that it is not yet sure which route should be used. Date of rendezvous is provisionally set for 1 Aug. The Russians have asked that vessels should not wait in Warneck Bay or adjacent areas because Latvian ships may pass that way (see Radiogram 1702).

Ship "21": According to radio monitoring the cruiser JEANNE D'ARC reported on 18 July to Fort de France: "St. Barthelmy" reports the arrival of a fishing boat with 41 men from the British freighters KING JOHN (5,228 G.R.T.) and DAVISIAN (6,433 G.R.T.) which were sunk on 13 July by a 9,000 ton German ship 240 miles east (?) of the island of Sombrero and 440 miles northeast of the island of Barrade respectively. The British cruisers DORSETSHIRE, CANBERRA, auxiliary cruisers ALCANTARA, PRETORIA CASTLE, ASTURIAS, GUDONOW and gunboat MILFORD were advised of the sinking of these two merchantships, together with positions. The first of these two positions lies just within or just outside and the second certainly outside the American neutrality zone.

Ship "21" was advised of these reports.

Ship "18": Ships of the East Indies Station were informed that a warship or submarine was operating on 11 July approximately 500 miles from Dondra Head (southern tip of Ceylon). This may be assumed to be Ship "16".

According to the statement of a Norwegian merchant master, outgoing steamers sail in convoy to southeast of the Azores and from there, by different routes, to the West Indies. Incoming steamers, also from the West Indies, sail northward within the neutrality zone and then try to join a Bermuda - Halifax convoy.

This statement approximately corresponds with the findings of Naval Staff; however, fast unaccompanied ships, including incoming ones,

18 July 1940

CONFIDENTIAL

are now to be expected in all areas.

Consequently, mainly outgoing traffic consisting of unaccompanied ships is to be expected in the operational area of Ship "21". There will be a convergence off the ports of the West Indies and on both sides of the Azores. Naval Staff plans to extend the operational area of Ship "21" up to 20° W. The relative order will depend on future negotiations with the Italians. The Atlantic ships were advised accordingly (see Radiogram 2242).

For the future the Gironde estuary, St. Nazaire and, if necessary, Lorient and Bayonne will be used as prize ports.

Norway:

The 1st Patrol Boat Flotilla with its transport entered Kirkenes; minesweepers M "2" and M "6" with their steamers entered Tromsø. Narvik transport traffic and convoys off the west coast ran to schedule.

Minesweeping in Yttre Fjord was continued. Submarine chase in the area off Skudesnes Fjord.

North Sea:

A minelaying operation is under way by the minelayers ROLAND, KOENIGIN LUISE, KAISER, COBRA and HANSESTADT DANZIG. (The PREUSSEN is out of action.) Cover will be given by torpedo boats and minesweepers. Captain Boehmer is in command.

Assignment: Laying of barrage 19, thus extending northward the barrage system of the German declared area in the North Sea. Altogether three operations will be carried out to lay barrages 18, 19 and 20 in the northern part of the North Sea, for the purpose of flanking the route along the Norwegian coast, protecting our own continuous traffic there and causing losses to enemy forces operating against this traffic.

Each barrage will consist of 660 EMC mines and 1,380 barrage buoys, type D.

The operation will be supported by air reconnaissance and close escort. (For details see Group West's operational order to the minelaying formation, Group West 1074/40 A 3 of 13 July.)

After being hit by a torpedo (?), submarine chaser "126" sank off Terschelling. The commander and 34 men were rescued.

18 July 1940

CONFIDENTIAL

English Channel, West Coast:

During the night of 17 July the sweep by the 1st PT Boat Flotilla was broken off owing to bad weather. Operations by the 2nd PT Boat Flotilla were also impossible.

After completing its transport assignment (Ouessant) and escort duties off Lorient, the 2nd Motor Minesweeper Flotilla was transferred to Boulogne and St. Nazaire.

The 4th Motor Minesweeper Flotilla is operating in the Channel area.

Skagerrak, Baltic Sea Entrances:

Mine Situation:

On 17 July the German steamer HABICHT struck a mine in the Little Belt off Cramsoe; on 18 July the Danish steamer ASTRID struck one at the same place.

Otherwise no new mine reports.

Transport traffic to Oslo, Frederiksstadt and Kristiansand as scheduled. Control of merchant shipping and submarine chase produced no results.

Submarine Situation

U "34" entered Lorient.

U "99", southwest of Ireland, reports the sinking of 31,300 G.R.T.; of this the sinking of a 7,600 ton steamer from a convoy was not observed, owing to pursuit which lasted fourteen hours, but is probable (rough sea). The Estonian ship MERISAAR (2,136 G.R.T.) was captured and directed to Bordeaux.

U "57" attacked part-convoy HX 55a off Cape Wrath and sank one large steamer. The submarine is proceeding to Bergen (see radiograms 0802 and 1115).

At present still in position in the Atlantic operational area:
U "A", U "30", U "52", U "58", U "61", U "62".

18 July 1940

CONFIDENTIAL

Mediterranean

Parts of Task Force "H" have been reported at sea (ARK ROYAL, VALIANT, destroyers).

Nothing special to report.

Air Situation

See Air Force Events of the Day.

Bombing attacks on merchant shipping off the British east coast and in the Channel. Difficulties due to fighter defense. Two steamers were sunk and others damaged.

Harassing attacks on airfields and port installations were continued. Heavy anti-aircraft defense, strong fighter screens and numerous barrage balloons were encountered everywhere.

Merchant Shipping

A survey of shipping lost by war action, ships still overseas and tonnage available at home is summarized in War Diary, Part B, Volume V, page 155.

19 July 1940

CONFIDENTIAL

Items of Political Importance

Germany:

On the evening of 19 July the Fuehrer's great speech in the Reichstag on the conclusion of the campaign against France was made the occasion for a glorious appreciation of the German Armed Forces. Survey of the military and economic strength of Germany. Statement on Russo-German relations. Last appeal to common sense in Great Britain and last offer to end the conflict.

Great Britain:

Mr. Churchill made a statement on the Anglo-Japanese treaty regarding prohibition of transit through Hongkong and Indo-China. He said that the British Government had not lost sight of its obligations to China but must take the present world situation into account. If this agreement had not been signed, the tension between Japan and Great Britain would have quickly increased.

Announcement by the British Ministry of Shipping that all French merchantmen in British ports have been seized and will perform supply services for the British, sailing under British colours (see under War against Merchant Shipping). French crews may serve on board under British terms. The ships will then fly the British and the French flags.

France:

On 18 July a law was promulgated excluding persons not of French nationality from holding public office. (See Political Survey.)

U.S.A.:

By secret ballot Roosevelt was nominated as presidential candidate for the Democratic Party by 9 votes out of 10.

Japan:

Matsuoka (former president of the Southern Manchurian Railroad) has been appointed Foreign Minister in Konoye's Cabinet. His election seems to indicate that Konoye hopes to achieve his aims in foreign policy at first in a discreet way. General Tojo was appointed Minister of War. The former Minister of the Navy, Yoshida, retains his office.

19 July 1940

CONFIDENTIAL

There is held to be little doubt that the change of cabinet was effected under pressure from the Army which has demanded that Japan's pro-Anglo-Saxon policy be abandoned. The new Government will undoubtedly advocate closer relations with the Axis powers than heretofore.

Situation 19 July

Special Reports on the Enemy

Great Britain:

The Military Attaché in Washington reports that the British Government has distributed leaflets to the people containing precise instructions in case of a German invasion. The people are not to take to flight, as in France, but to stay where they are. No blocking and congestion of the roads. Warning to beware of false information. Food, bicycles and maps to be hidden. No gasoline must fall into enemy hands. No barricading of streets. Sunset and early morning are considered dangerous hours. Landing of gliders is to be expected.

An American reporter describes the British organization:

Coastal defense by the Army. Defense is based on mobility and concentration of all guns. No fixed line of defense with fortifications. The Fleet and Air Force have the task of preventing the landing of tank formations and shock troops. The Air Force has been organized so that strong formations can be concentrated quickly at the given points of danger. Among other things, the Air Force will be charged with attacking the new German bases in Northern France and the Netherlands and looking for indications of German operations (concentration of ships and barges).

Atlantic:

Great Britain:

Movements of forces: On 18 July the aircraft carrier ARGUS was in the Clyde area. The cruiser VINDICTIVE left Devonport, westward bound. The cruiser AUSTRALIA is en route to the Clyde and the auxiliary cruiser LAURENTIC is in the Iceland area; the VOLTAIRE left Halifax as escort for convoy HX 59. The cruiser CARADOC,

19 July 1940

CONFIDENTIAL

eastward bound, is 300 miles east of Halifax. The cruiser BONAVENTURE is 350 miles east of Halifax, also eastward bound; she is to sail to Scapa for battle training.

On 18 July the whole of Task Force "H" was in Gibraltar.

France:

According to press reports, French forces in Martinique have been disarmed without incident. Two British warships are still cruising off the harbor. Two large French transports (FELIX ROUSSEL and PRESIDENT DOUMER) have been seized by the British authorities in Port Said. The Admiral of the Levant Forces has protested to the British Commander in Chief and to the Egyptian Government.

North Sea/Northern Waters:

Submarines were reported by radio intelligence west of Utrae, and three more off the west coast of Norway. Air reconnaissance sighted one submarine west of Aalesund. A steamer reported a submarine off Feistein.

The sweep by the British destroyer groups which were at sea yesterday in the Scapa area (group "A" destroyers BEDOUIN, PUNJABI, group "B" destroyers ASHANTI, MASHONA) was apparently connected with the operation by our minelaying formation. The destroyers returned to Scapa on 19 July.

During the night of 19 July several planes attacked Wilhelmshaven.

Own Situation

Atlantic:

There were no reports from the auxiliary cruisers. The British Admiralty confirms the sinking of two merchantmen (KING JOHN and DAVISIAN) by German auxiliary cruisers in the West Indies. Enemy forces were advised on 18 July. No forces appear to have been sent against Ship "21" and, in the opinion of Naval Staff, are not likely to be in view of the small number and numerous commitments of the enemy merchant escort forces.

19 July 1940

CONFIDENTIAL

Ship "21" was notified of reports on the enemy and ordered to withdraw from the traffic area until supplies have been taken on from the RECUM (see Radiogram 1607).

The Atlantic ships were informed on enemy movements (radiogram 2358).

Norway:

Nothing to report.

In northern Norway transport traffic was continued without incident. Naval Shore Commander, Narvik has asked for establishment of the Naval Shore Commander, Arctic Coast in Tromsø and a Naval Communications Officer in Tromsø and Vardø.

Group West has asked that the trawlers FREESE, HOHMANN, and VINNEN, used as weather ships in the Iceland area, be withdrawn as they are no longer needed for that purpose. The request must be refused because there is a gap in weather observations between Iceland and the Lofoten Islands and weather reports from the area between Norway and Iceland or later perhaps also from the area southwest of Iceland are still of great importance. Group West has been advised accordingly.

North Sea:

The operation of the minelaying formation to lay barrage 19 (according to operational order, from 57° 56.5' N to 58° 16.8' N 2° 24.5' E, minelaying course 163°) was completed to schedule. About noon the formation was apparently detected by enemy reconnaissance planes and in the evening was reported, 80 miles west of Hornsøff, as two cruisers and five destroyers (a wrong course was first reported). Until 2330 the plane maintained contact and brought up four Lockheed Hudson bombers for an attack which, however, was unsuccessful.

During the night of 19 July several enemy planes raided Wilhelms-haven navy yard and entrance No. 3. No substantial damage.

Channel:

During the night of 18 July the 1st PT Boat Flotilla made a sweep into the area south of Brighton. No results. The boats were shelled at a range of 70 km. by British destroyers and pursued.

19 July 1940

CONFIDENTIAL

Five boats of the 2nd PT Boat Flotilla carried out a minelaying operation from Boulogne.

The 4th Motor Minesweeper Flotilla is to sweep the route from Ostend to Boulogne on 20 July.

Skagerrak, Baltic Sea Entrances:

During the night of 19 July there were enemy flights over North Jutland, South Jutland, Great Belt, Langeland Belt, Gjedser. Minelaying is suspected.

Patrol and check sweeps by forces of Commander, Minesweepers were made according to plan.

Transport traffic was carried out without incident.

Submarine Situation

In the operational area: U "30" (300 miles west of Gibraltar).

Off the North Channel: U "58" (heavy traffic, strong air patrol).

Shetland Islands, Hebrides: U "62".

In the Central Atlantic: U "A".

On return passage home: U "43"; to Bergen U "61", U "57"; to Lorient U "52", U "99", U "56".

War against Merchant Shipping

The Estonian steamer MERISAAR (2,100 G.R.T.), which was provided with course instructions for Bordeaux by submarine U "99", was sunk by German planes off Lorient on 15 July. The crew was rescued; there was no prize crew from the submarine aboard.

The statement issued by the British Ministry of Shipping on the sending out of seized French merchant ships under French, or British and French, colors compels us to treat French ships encountered at sea outside the Mediterranean without definite

19 July 1940

CONFIDENTIAL

German permission as enemy vessels. The French Government will be informed via the Armistice Commission that orders to this effect will be issued to naval forces as of 23 July.

Air Situation

See Air Force Events of the Day.

Successful operations against British merchant shipping. On 18 July in attacks on convoys by the 5th Air Force twelve steamers were seriously damaged by bombs. The 9th Air Division carried out a minelaying assignment off Belfast with three FW 200 planes of the 40th Bomber Wing and off the Humber, Liverpool and Barrow with the 126th Group.

During the night of 19 July more mines were laid by 33 planes at places including the Thames, Clyde, Bristol Channel and Cardiff.

During fighter operations over the Channel 21 enemy planes were shot down (Spitfires, Hurricanes and twelve modern fighters of the Defiant type).

Operations Staff states that production of bomb-carrying fighters and fighter-bombers has begun and that a considerable number of BF 109's, which can carry one 500 kg. bomb or two 250 kg. bombs, and of BF 110's, which can carry double that load of bombs, will already be delivered in July.

Mediterranean

In regard to the engagement of the cruisers BANDE NERE and COLLEONI with the cruiser SIDNEY and two further British cruisers and destroyers, northwest of Crete, see situation Mediterranean 20 July and Radio Monitoring Report 1430. During the engagement the cruiser COLLEONI was sunk.

According to data so far available the Italian cruisers had no escort and were relying solely on air reconnaissance which must be regarded as a basic error, especially since the Italians have no knowledge of systematic air reconnaissance and the Aegean Sea is very difficult to reconnoiter thoroughly owing to the numerous groups of islands.

19 July 1940

CONFIDENTIAL

Conference on the situation with Chief, Naval Staff

Special Items:

Operation "Seeloewe":

1. At the further request of Naval Staff for confirmation of executive orders, the Fuehrer and Supreme Commander decided on 18 July that all material and personnel preparations for operation "Seeloewe" are to be started immediately. In order to lessen the repercussions, especially in matters of traffic, Commanders in Chief, Army and Air Force have been ordered to place suitable personnel already in their Services at the disposal of Commander in Chief, Navy.

In view of the tasks set forth in the Fuehrer directive No. 16, Naval Staff has made the following estimate of the situation:

The task assigned to the Navy within operation "Seeloewe" is out of proportion to its forces and to the tasks assigned to the Army and Air Force. While, apart from drawing up the plan of operations after landing and preparations for tactical execution of operations on enemy territory, the Army's task is limited to concentration and proper distribution of the forces required in the areas of northern France and Belgium, and while the Air Force is called upon to make hardly any modification of its present directives for attack and of the disposition effected for the battle against England, the Navy has to make a complete re-organization of its forces and effect a new adjustment of its operational measures.

The difficulties thus created for the Navy lie mainly in the following:

- a. The crossing by Army troops has to be carried out from a shore on which port facilities and adjacent inland waterways have been largely destroyed or limited in their usefulness by the fighting in the campaign against France.
- b. The transport lanes lead through an area in which the weather (fog, current, tide and sea conditions) might give rise to great difficulties, not only during the first crossing but also after reaching the enemy coast and during the continuous transport of supplies.

- c. Owing to the strong defense of the enemy ports, they cannot be used for a landing, which, at least in the case of the first wave, must be made on the open shore.

As to the possibility of occupying single ports with the first wave and using them for subsequent transport units, it must be expected that in the case of ports with moles they will be blocked by sunken ships and that ports with locks can be made unserviceable by destroying these locks. The necessity of landing the first wave on the open shore will greatly restrict the selection of transport vessels in regard to their size and draught. The vessels must be capable of navigating shallow waters also, in order to set their vehicles and troops directly on land or in shallow water by means of special landing ramps. The serious navigational difficulties (rise and fall of tide, current, swell and surf) are obvious. Conversion of the required transports for this special assignment will require extensive and lengthy work in the dockyards.

- d. The mine situation in the eastern part of the Channel to be crossed by the transports has still to be investigated. Despite the exertion of all forces, adequate security from mines cannot be achieved. It must be borne in mind that, at least near his own coasts, the enemy will be able to lay new defense barrages very quickly and at the last moment.
- e. Achievement of air supremacy is a decisive factor for the assembly of the naval forces and transports required within the relatively small embarkation area. Furthermore, establishment of absolute air supremacy will be essential if minesweeping is to be carried out within the area to be crossed. In view of the type of transports to be used, especially in the Strait of Dover and vicinity (chiefly barges and river vessels), it will not suffice to sweep certain narrow channels. The aim must be to clear broad transport lanes as only in this way can some measure of security for the transports be achieved.
- f. While up to now there has been no real need for all-out operations by the enemy Fleet, an invasion of England will find the enemy determined to commit all his naval forces to the full. The Air Force alone cannot be expected to keep the enemy naval forces away from the transport routes,

especially since it is strongly dependent on weather conditions. It will therefore remain the task of the Navy to support the operations of the Air Force with all its strength by means of: mine barrages, operations by light naval forces along the flanks of the transport area, use of all ready submarines, diversionary operations. In this connection, it must be borne in mind that mine barrages cannot provide absolutely sure protection against a determined enemy. Therefore, it is possible that, even if the first wave crossed successfully, determined enemy naval forces might be able to cut off this first wave landed on the enemy coast from subsequent ones. The presence of strongly defended enemy bases within the landing area makes it necessary to cut off the transport routes against enemy attack at several points. The extent of the area requires that the mine barrages to be laid should be very long and consequently that large forces be employed for this.

- g. The extremely good results of air raids on defenses is unquestioned according to experiences in the western campaign. However, in view of the way in which the enemy coast is defended against invasion, the possibility of which the enemy has long reckoned with and for which he is thoroughly prepared, it is doubtful if the Air Force will be at all successful in eliminating the enemy coastal defense troops so completely as to make possible a landing which cannot be given effective artillery support from the sea.

From considerations so far Naval Staff anticipates most serious difficulties in all possible ways in carrying out an invasion; these can only be ascertained in detail upon thorough investigation of the transport problems. In view of its great responsibility, Naval Staff will vigorously pursue further preparatory work in order that a survey of the possibilities of executing the operation may be submitted to the Fuehrer as soon as possible.

2. For execution of the "Seeloewe" assignment, a special distribution of naval forces to Group West and Group North will be ordered and this has been laid down in a directive from Naval Staff to the Operations Staffs involved (see file "Seeloewe", Order No.11).
3. Group West's proposal to leave the battleship GNEISENAU in Trondheim during the "Seeloewe" operation is not acceptable, since the date of the operation is quite uncertain and quick

19 July 1940

CONFIDENTIAL

restoration of the GNEISENAU is required. Moreover, the enemy cannot in any way be diverted by the presence in Trondheim of this ship, which is not in full operational readiness. In order to achieve the greatest possible diversion of enemy surface forces, a sortie by the pocket battleship ADMIRAL SCHEER and an allied operation by the cruiser HIPPER in the Iceland - Faroes area is to be prepared. Therefore everything must be done to establish operational readiness of the pocket battleship ADMIRAL SCHEER for Atlantic warfare as soon as possible. The other available cruisers (NUERNBERG, KOELN and EMDEN) must also be employed within the framework of the overall task. To this end, a participation in the first phase of the operation SCHEER - HIPPER or performance of minelaying assignments or a diversionary thrust against the Scottish east coast as a feint landing operation will be considered.

Items of Political Importance

For reaction to the Fuehrer's speech see survey in Political Report No. 168. In Great Britain the speech is sharply rejected. His warning threats are regarded as bluff intended only to crush the spirit of the British people. Churchill's answer to this speech is announced for 23 July. The British Dominions too have reacted against the speech. Canada emphasizes that she will fight with Great Britain to the last man. In the United States the speech was broadcast only in part. It is regarded as addressed only to the German people and neutrals. The statements concerning relations with Russia and the unlimited reserves of food and raw materials are regarded with great skepticism. It is predicted that Great Britain will not take up this indirect peace offer. In Russia, Sweden and the Balkan countries, the Fuehrer's speech made a strong impression.

Great Britain:

General Ironside has been appointed Field Marshal, General Gort Inspector General of Training Forces and Lieut. General Alanbrooke Commander in Chief of Home Forces to succeed Ironside.

U.S.A.:

President Roosevelt has accepted nomination as presidential candidate.

Pan-America:

Today the Pan-American Conference assembles in Havana. The discussions will deal mainly with the two United States proposals:

1. Granting of a Pan-American mandate over the European colonies in America.
2. Creation of a Pan-American economic cartel under the leadership of the United States.

In regard to economic questions, the South American States are in no way inclined to have their European market eliminated.

1 20 July 1940

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Operation "Seeloewe":

Report by Chief, Operations Branch on Naval Staff's directive to the Groups, Commanding Admiral, Submarines, the Fleet and Commanding Admirals, Norway and France in which the subordinate commands are informed of the Fuehrer's directive No. 16, of the tasks of the Navy in the case of operation "Seeloewe" and of Naval Staff's studies so far on that subject.

For details see order 1 Skl. I op 1042/40 in file "Seeloewe", Order No. 12.

By about 23 July the Fuehrer and Supreme Commander desires a report on how much time the Navy will require for its preparations and the length of time still considered necessary until the operation takes place after air supremacy is achieved.

2. Changes in Organization:

In view of the situation regarding operational readiness and activities of the Fleet Staff reported to him by Commanding Admiral, Fleet, Commander in Chief, Navy has ordered the following change in organization:

- a. Besides the Operational Fleet Staff (Fleet Command Op.) an Organizational Fleet Staff (Fleet Command Org.) is to be established.
- b. Commanding Admiral, Fleet is also to be Commanding Admiral, Battleships. The former staff of Commanding Admiral, Pocket Battleships is disbanded.
- c. From now on, Commanding Admiral, Scouting Force is designated "Commanding Admiral, Cruisers" (BdK).
- d. The pocket battleships will be subordinated to Commanding Admiral, Cruisers. The pocket battleship ADMIRAL SCHEER is designated cruiser ADMIRAL SCHEER.
- e. Commander, Destroyers and Commander, Torpedo Boats will be directly subordinated to Commanding Admiral, Fleet as independent Commanders.

20 July 1940

CONFIDENTIAL

Situation 20 July

Special Reports on the Enemy

Atlantic:

Great Britain:

The cruiser FIJI and aircraft carrier ILLUSTRIOUS are to go to the Clyde for overhaul.

Auxiliary cruisers are again reported in the Iceland - Faroes area. It is a long time since auxiliary cruisers have been observed operating in this area and it was thought that the enemy had again brought up cruisers for patrolling the blockade line.

Indian Ocean:

According to radio intelligence, on 19 July the cruisers KENT, LEANDER and HOBART entered Aden where there were already the destroyers KIMBERLY and KINGSTON, gun boats HINDUSTAN and SHOREHAM and the auxiliary cruiser DUNTROOM. Otherwise no particular observations.

France:

The Admiralty has informed Admiral, Saigon that information from various colonies reveals that, due to negligence, the Governors either did not follow the instructions of the Government concerning the breaking off of diplomatic relations with Great Britain or failed to give sufficient personal supervision thereto. The British authorities continue to seize French ships lying in British ports (see Radiogram 1335).

North Sea/Northern Waters:

There are no reports on the enemy from northern waters. The old battleships NELSON and BARHAM have again been reported in the Scapa area. Commander, 18th Cruiser Squadron has obviously left the Scapa area for the southeast coast. Great patrol activity by destroyers, gunboats, trawlers, guardboats and a number of PT boats was still observed off the southeast coast. For the first time, a 15th Cruiser Squadron has been reported in the Rosyth area. In the Orkneys area destroyers and escort vessels are carrying out submarine chase.

20 July 1940

CONFIDENTIAL

In the Channel convoys are continuing close to the British coast. Convoys of fourteen to seventeen ships were sighted. This observation stresses the necessity of making the Channel impassable for enemy supply traffic by speedy expansion of strong coastal batteries in the Cape Gris Nez area and by relentless Air Force operations.

Own Situation

Atlantic:

There are no reports from the auxiliary cruisers. According to radio intelligence the steamer CHANGON is missing in the East Indies area. This might be a result of Ship "16"'s operation.

Ships "21" and "10" were advised of the planned supply operation from the RECUM which left Teneriffe on 17 July with about 4,000 cbm. fuel oil for delivery. Speed $8\frac{1}{2}$ knots. Six rendezvous points have been arranged in the tanker's waiting area, one of which has been assigned by Naval Staff to the RECUM and Ship "21", stating the date and time. The RECUM is to be at the ordered rendezvous at 0800 and 1600 and in between times is to steer the most favorable courses at sea. After she has supplied Ship "21", Naval Staff plans to send the RECUM to a specified waiting area in large grid square GE, under codeword "Fuerteventura", where Ship "10" will be supplied (for details see Radiogram 1301 and War Diary, Part C, Volume Atlantic).

The Atlantic ships were advised of the enemy situation by radiograms 2004 and 2112.

Norway:

Nothing to report.

On the west coast, shipping movements were carried out as planned. In the evening the supply ship NORDMARK left Stavanger homeward bound through the Skagerrak, escorted by minesweepers.

The battleship GNEISENAU reports restoration of sailing readiness up to 25 knots in a smooth sea. Cracks below the waterline have been welded by means of cover plates and the leak above the water line has been sealed on both sides. Certain sections of turret "A" are blocked.

20 July 1940

CONFIDENTIAL

North Sea:

After having completed the laying of barrage 19, the minelaying formation entered Wilhemshaven.

During the night of 20 July there were repeated bombing raids on Wilhelmshaven. No particular damage. Three planes were shot down (see teletype 0655).

For survey of operational naval vessels which will be out of war readiness beyond 20 July see War Diary, Part B, Volume V, page 156.

For survey of remote clearance gear now available and distribution thereof, and progress report on installation of magnet gear on mine-exploding vessels see War Diary, Part C, Volume VI.

Channel:

During the night of 19 July the 2nd PT Boat Flotilla laid mines in grid square 7932, right center, off Shipwash.

Skagerrak/Kattegat:

Nothing special to report. No change in the mine situation. Transport traffic and air patrol carried out as scheduled. In the Skagerrak, the training flotilla of Commanding Admiral, Defenses Baltic and off Skagen, the 9th Patrol Boat Flotilla were on patrol.

During the night of 19 July there were various enemy flights over North Jutland, the Great Belt and the western part of the Baltic Sea. The planes penetrated as far as Swinemuende. Bombs were dropped, among other places, at Wismar and Peenemuende; no special damage (see teletype 0600).

Submarine Situation

In the Atlantic operational area: U "A", U "30", U "62", U "58".

In or en route to Lorient: U "34", U "52", U "56", U "99".

Bergen: U "57"; on return passage U "43" to Wilhelmshaven, U "61" to Bergen.

20 July 1940

CONFIDENTIAL

U "58" reports sinking a 5,600 ton steamer off the North Channel. The submarine reports medium to heavy traffic and strong air patrol west of the North Channel.

Air Situation

See Air Force Events of the Day.

Attacks on convoys and on ships in Dover harbor. Hits were scored on cruisers, destroyers and several merchantmen. The 9th Air Division dropped aerial mines off Falmouth, Plymouth and in the Thames.

Mediterranean

See Situation Mediterranean, with excerpt from the Italian report on the engagement between the cruisers BANDE NERE and COLLEONI and a British cruiser formation.

21 July 1940

CONFIDENTIAL

Items of Political Importance

Germany/Great Britain:

For general reaction to the Fuehrer's speech, see Foreign Press for 21 and 22 July. The British press is unanimously in favor of continuing the war to a victorious conclusion and leaves no doubt that the Fuehrer's appeal is rejected by the present British leaders. In contrast to Mr. Churchill's stubborn attitude, there seems to be a strong and influential group in Great Britain which advocates obtaining details of peace terms from Germany. There are rumors that the Duke of Windsor cabled the King advising him to form a new cabinet and that Lloyd George has had an audience with the King.

As long as Churchill represents his country's interests, no yielding of any kind is to be expected of the British Government.

The Prime Ministers of Australia and South Africa have made sharp statements against the Fuehrer's speech.

Russia - Baltic States:

The people's representatives of Lithuania, Estonia and Latvia announce institution of the Russian constitution and union with Soviet Russia. During the next few days the Supreme Soviet will meet to deliberate on the admission of the three States into the Russian confederation.

Conference between the Commanders in Chief of the three Services and the Fuehrer and Supreme Commander of the Armed Forces

The Fuehrer stated that, in his opinion, the outcome of the war is already decided but that Great Britain does not yet realize it or still sees some prospect of avoiding the inevitable. In prosecuting the war, Great Britain may be hoping for:

1. A sudden change in America (in the World War America lost 10 billion dollars of which only 1.4 billion were returned; she hopes, in any case, to become the strongest sea power).
2. A change of attitude by Russia, whose entry into the war would be unpleasant, particularly in view of the threat of air attack.

21 July 1940

CONFIDENTIAL

Even if Moscow regards the great German successes with unhappy feelings, it still has no desire to enter into war against Germany. It is, of course, our duty seriously to consider the American and Russian questions. Early termination of the war will naturally be to the interest of the German people. However, there is no urgent necessity for this as, in the opinion of the Fuehrer, the time factor does not offer any advantage to Great Britain. The situation is much better than in the World War. In 1918 the western front was all-consuming. This is not so now. Germany is now equipped in all fields even for a long war. Material supplies are sufficient. The question of fuel will be the most difficult. In this field, crises might arise if both Russian and Rumanian deliveries should cease and our own synthetic fuel plants be destroyed by air attacks. Although this is highly unlikely, suitable political and military precautions must be adopted. Food supplies are assured to a great extent especially if large numbers of prisoners of war are employed in agriculture. Despite this favorable situation, every effort should be made to terminate the war within a short time and to exploit our favorable military and political situation as quickly as possible. The most effective way to do this would be by means of operation "Seeloewe". The question as to whether Great Britain could be defeated by a direct operation and how long it would take, must be thoroughly studied. At the same time, diplomatic steps must be taken in respect to Spain, Russia and Japan. However, such steps would be difficult so long as the world awaits a new miracle which has not yet come to pass.

The Fuehrer described the undertaking of a landing in Great Britain as extraordinarily bold and daring. Though the distance is short it involves not the crossing of a river but of a sea dominated by the enemy. It would not be a single crossing operation as in Norway. No operational surprise could be expected. We are opposed by an enemy prepared for defense and of the utmost determination, who dominates the waters to be crossed. The Army operation would require 40 divisions; continuous supply of material and food would be the most difficult. No stocks of any kind could be reckoned on in Great Britain. It would be necessary to have complete air supremacy, strong artillery in the Strait of Dover and mine barrage defense. The season would play a vital part as, in the second half of September, the weather in the North Sea and the Channel is very bad, and in the middle of October the period of fogs begins. Therefore, the main operation would have to be concluded by 15 September as, after that, support by the Air Force and by heavy artillery would be too uncertain. As, however, Air Force support would be the decisive factor, the greatest consideration must be given to it when fixing the date.

The Fuehrer desires to have, as soon as possible, a clear picture

21 July 1940

CONFIDENTIAL

as to whether technical preparations could be expedited so as to meet the planned deadline and whether, from the operational point of view, there are really good prospects of success. The following questions must be answered:

- a. When could the Navy's technical preparations be complete.
- b. When would establishment of artillery be completed.
- c. To what extent could the Navy actively and passively defend the crossing.

Chief, Naval Staff hopes to provide an answer to the technical question by about 25 July. From the operational viewpoint, no exact estimate can be made until further studies have been completed. The Navy cannot begin practical preliminary work until air supremacy has been established.

Commander in Chief, Army is obviously much inclined to carry out the operation. However, he is evidently not fully aware of the difficulties of technical preparations and of operational execution and of the extent of possible enemy counter-action.

Commander in Chief, Air Force (represented by the Chief of General Staff) has taken no stand in regard to the possibility of executing the operation but is willing to start all-out air attack on Great Britain and wants to be given a free hand as soon as possible for attacks on British fighters, the aircraft industry, the Air Force, ports, industries, oil stores and the Channel area.

The Fuehrer has requested Chief, Naval Staff to report again as soon as possible. If preparations can definitely not be completed by the beginning of September, it will be necessary to consider other plans.

Situation 21 July

Special Reports on the Enemy

Atlantic:

Great Britain:

On 20 July the auxiliary cruiser CIRCASSIA passed Ailsa Craig on

21 July 1940

CONFIDENTIAL

her way to the Northern Patrol. The auxiliary cruiser ASCANIA, heading northeast and later east, was reported 600 miles west of Scotland, possibly also on duty with the Northern Patrol.

Movements of convoys: Part of Convoy HX 56, escorted by auxiliary cruiser COMORIN, passed Cape Wrath and is to enter the Tyne on 23 July. Convoy HX 59, escorted by the auxiliary cruiser VOLTAIRE, was off Sable Island on 20 July. Special attention is drawn to the weak convoy escort on the north Atlantic route, generally consisting of a single auxiliary cruiser.

South Atlantic:

The aircraft carrier ILLUSTRIOUS and cruiser FIJI were met by destroyers. The auxiliary cruiser DUNVEGAN CASTLE, coming from the South Atlantic, is 900 miles west of the Gironde.

Indian Ocean:

On 20 July troop transports entered Mombasa. On 16 July the auxiliary cruiser ANTENOR unloaded ammunition at Suez and then proceeded on to Bombay.

France:

It is reported from Casablanca: Political situation confused. Serious preparations to disarm or release reserves have not yet been observed; on the contrary, work on fortifications continues. No clear information on troops in Morocco. Transport traffic from Algeria to Morocco, sphere of action uncertain and kept as secret as possible by the French. Moroccan formations are being returned for release. There may possibly be a strong concentration of forces in Morocco.

North Sea/Northern Waters:

No particular enemy movements in northern waters. Off the British east coast various convoys escorted by destroyers and gun boats were reported. The harbor of Rosyth, which was temporarily closed owing to aerial mines, has been re-opened after 38 mines had been swept by trawlers.

Enemy submarines were located off the Norwegian coast, off Lister, and north and northeast of the island of Texel.

21 July 1940

CONFIDENTIAL

Channel:

Convoys in the Channel were detected by air reconnaissance and attacked. A British destroyer with her convoy was ordered back to the Isle of Wight.

Own Situation

Atlantic:

The Atlantic ships were advised of enemy movements. Nothing to report.

Norway:

Transportation of personnel and material continued according to plan off the west coast. Coastal batteries are being set up in the area of northern Norway.

An enemy flying boat was shot down northwest of Trondheim. Unsuccessful air raid on Bergen. Fifty miles west of Hanstholm British bombers attacked the "tanker NORDMARK" convoy which was hit three times. No special damage.

Return of the battleship GNEISENAU:

In view of Naval Staff's directive that the battleship GNEISENAU is to return as soon as possible (as the date for operation "Seeloewe" is not yet settled and speedy restoration of the GNEISENAU is required), Group West has ordered Commanding Admiral, Scouting Force to hold the GNEISENAU and all destroyers in readiness as from 1200 on 23 July so that they may be able to sail 24 hours after receipt of orders. Sailing time will depend on weather conditions and on execution of further planned mine-laying operations. Admiral, North Norwegian Coast reports that the GNEISENAU can leave via Yttre Fjord - Griphoelen with anti-mine escort.

Operations against Petsamo Merchant Traffic:

The information on Finnish and Swedish exports from Petsamo (see War Diary 15 July) has been further confirmed. Exports are: cellulose, paper and special high-grade steels from Sweden. Imports are grain, gasoline and cotton.

21 July 1940

CONFIDENTIAL

How far these exports go to Great Britain or to neutral countries, the United States, etc., has not yet been established. Investigations are under way.

Theoretically, this traffic from Petsamo and northern Russia is blocked from the Atlantic by the new British declared area between Iceland and northern Scotland and is compelled to touch at Kirkwall. Consequently, in case of German seizure of these exports, if they are conditional contraband, enemy destination according to Article 23 para. 3 of the Prize Regulations would be proved and afford the possibility of acquiring valuable cargoes.

From our position in Northern Norway we have a good chance of seizing these exports at their point of departure and in the area of the North Cape. This could be done by Fleet forces from Trondheim and also by Special Group vessels and patrol forces, at the disposal of Commanding Admiral, Norway, from Tromsø or Kirkenes.

Instructions on the data to date on Petsamo traffic and a directive for the start of operations against it, have been issued to Group West, Commanding Admiral, Norway and Commanding Admiral, Submarines (see 1 Skl. 10283 of 20 July in War Diary, Part C, Volume II).

In accordance with Naval Staff's first directive, on 21 July Group West ordered Commanding Admiral, Scouting Force, based on Trondheim, to send out the HIPPER as soon as possible on a long operation against merchant shipping, if possible of two to three weeks' duration in the area North Cape - Spitsbergen. The supply ship DITHMARSCHEN will be available for this operation. The cruiser HIPPER and supply ship DITHMARSCHEN should be able to put to sea so long as destroyers are still available. Commanding Admiral, Scouting Force will be informed on the enemy situation and on reports so far received.

In reply to inquiry from the Group, Naval Staff confirmed that Soviet Russian vessels are to be treated in accordance with previous orders, (that is to say, no measures against merchant shipping).

Patrol and Escort Forces for Commanding Admiral, Norway:

A letter has been received from Commanding Admiral, Norway (gkdos. 759 of 13 July) requesting reinforcement of formations in Norway by submarine chasers and minesweepers or patrol boats and auxiliary minesweepers, in view of the continuous and extensive escort duties off the Norwegian coast and the weakness of the forces available for this purpose. The starting up of shipping along the Norwegian coast

21 July 1940

CONFIDENTIAL

and greatly increased traffic during recent weeks encourages the enemy to interrupt or prevent it. His activities with submarines, mines and planes off the Norwegian coast are increasing. Urgent requirements of forces were at first taken into account by Group West which, under orders from Naval Staff, put into operation or left in Norway three minesweeper flotillas, one motor minesweeper flotilla and one submarine chaser flotilla. Commanding Admiral, Norway emphasizes that without these forces the assignments off the Norwegian coast (defense and escort of shipping, minesweeping from Oslo Fjord to Narvik) could not be performed. However, recent experience shows that it will not be possible to maintain traffic at all times with the forces available, especially since the expansion and use of Trondheim as a major base requires continuous operations by patrol boats, submarine chasers and minesweepers in this area.

Submarine chasers and shallow-draught minesweepers are in especially short supply. While the strain on forces at home and on the fronts is fully realized, Commanding Admiral, Norway again requests that reinforcements be assigned to Norway from the forces of Commanding Admiral, Defenses, Baltic. Commanding Admiral, Norway's requests are agreed to in principle. However, the new tasks in the North Sea will necessitate great restrictions in Norway also so that fulfillment of the requests must be postponed in favor of the main assignment in the North Sea and the Channel. The fact that this may affect the continuance of shipping traffic and the possibilities of exploiting bases for operations must be accepted. However, the planned combination of the North Sea and Baltic Sea areas under one group command (Group North) will make it possible to employ the remaining forces to the best advantage also for the Norwegian area and establish an equitable balancing of requirements.

North Sea:

The Air Force was sent out against convoys reported off the British east coast.

In enemy raids on Wilhelmshaven during the night of 20 July six planes were shot down by naval anti-aircraft guns. A parachute mine was found off entrance No. 1. There were several explosions in the harbor - probably aerial mines with a new time fuse. Investigation is being made. Interrogation of prisoners reveals that the planes had strict orders to make low-flying attacks on the TIRPITZ and SCHEER. The fact that barrage balloon defense in the Wilhelmshaven area is weak was known to the aviators. North Sea Station emphasizes the need for early reinforcement of the balloon barrages.

21 July 1940

CONFIDENTIAL

Channel:

No PT boat operations due to bad weather. The railway battery "Gneisenau" left for the Cherbourg area.

Skagerrak/Kattegat:

Mine Situation:

A Swedish steamer struck a mine south of the Drogden. During the night of 21 July, enemy planes flew over South Jutland, Esbjerg, Aarhus, the Belts and the Sound. Others flew over Schleswig-Holstein and the western part of the Baltic Sea up to Gjedser. Bombs were dropped near Kiel, Wismar and on Ise Fjord. Danger of mines in the Little Belt, Great Belt and Sound.

Transport traffic as scheduled.

War against Merchant Shipping

Minelayer TANNENBERG was sent out to capture the Swedish steamer SVEA (with luggage from the British Legation at Riga).

Submarine Situation

In the Atlantic operational area: U "A", U "30", U "58", U "62".

In Lorient: Returned from successful operations: U "52" (four steamers - 24,700 G.R.T.), U "99" (six steamers - 31,300 G.R.T.) and U "56".

Air Situation

See Air Force Events of the Day.

21 July 1940

CONFIDENTIAL

Four steamers in the Channel were sunk and another seriously damaged in a dive-bombing attack on a convoy.

In the Tromsøe area, the 1st Coastal Patrol Squadron, 506th Group, seized and brought in to Tromsøe the Finnish steamer PANDIA, with 2,650 tons of cellulose, 452 tons of steel and mixed cargo.

Nuisance raids on ports and industrial plants in Great Britain were continued.

Mediterranean:

According to a report from Cairo, the battleship WARSPITE and cruiser GLOUCESTER have been seriously damaged.

Except for bombing raids on light British forces there is nothing to report. On 20 July the Italian destroyers NEMBO and OSTRO were torpedoed by torpedo bombers in the harbor of Tobruk - a noteworthy achievement by these planes.

For details see Situation Mediterranean 22 July.

Items of Political ImportanceGreat Britain:

The Foreign Minister, Lord Halifax, declared in a broadcast that Great Britain would continue the struggle whatever the cost. She would not cease fighting until her own liberty and that of other nations was assured. (For details see Foreign Press.) The speech must be taken as Great Britain's official and final refutation of the Fuehrer's speech.

Finland:

According to reports from our Embassy, the Russians have made further demands which exceed the peace terms, thus raising doubts in Finland as to future developments in Russo-Finnish relations.

Conference on the Situation with Chief, Naval StaffSpecial Items:

- I. Report by Chief, Operations Branch on the status of preparations for operation "Seeloewe". Armed Forces High Command has been furnished detailed information in a letter from Naval Staff (1.Skl.I op 1046/40 Chefs. of 22 July, file "Seeloewe", Order No. 14), on the Navy's preliminary work so far and on Naval Staff's attitude to the matters raised in the Fuehrer directive No. 16:

The basic requisites for a Channel crossing are divided into three sections:

1. Requisition, manning and equipping, and assembly of the required transport tonnage in ports designated by the Army. Requisitioning is to be applied not only to seizable transport tonnage in former enemy territory but to a large extent also to German vessels. Start of constructional work on transport vessels. Preparation of personnel to man the transports.
2. Material inspection and preparation of assembly ports. The possibility of large-scale embarkation is greatly

restricted in the ports, some of which have suffered extensive damage. Engineers and the Todt Organization to assist in clearance work. Organization of supplies.

3. Thorough reconnoitering of suitable landing places on the enemy coast.

The transport operation will be based on the data derived from study of the above three sections and this will be communicated to Armed Forces High Command, Commander in Chief, Army, and Commander in Chief, Air Force as soon as possible.

Furthermore, military measures for the establishment of the basic requisites for the Channel crossing will be described in the letter to Armed Forces High Command. These will be largely subject to the still obscure mine situation and the strong reaction which is certainly to be expected from the enemy Fleet.

The following preparations are necessary:

Modification of present limits of the Group Command areas. -
Concentration of all naval forces on operation "Seeloewe". -
Great reduction of commitments in the Skagerrak, the North Sea and Northern Waters. - Reference is made to the extreme difficulties of preparing the crossing routes in view of the extensive area and the insufficient number of forces. Uncertain position of enemy barrages - need to sweep large areas right up to the enemy coast. The enemy's ability to lay additional barrages continuously. Particular stress should be laid on the fact that achievement of absolute air supremacy over the transport routes is essential for planned minesweeping by naval forces.

Apart from clearing mines, direct protection against mines is necessary for all transport formations by advance minesweeping forces.

Besides the threat from mines and planes, the danger to transports through the enemy Fleet must be given prime consideration. The enemy cannot be destroyed by naval forces and strong flanking barrages must therefore be laid to protect the entire crossing area. Special defense will be required of the main supply route between Dover and Calais. Barrages will be laid between the northern Channel Islands and Start Point as well as on both sides of the Dover Strait. It must be kept in mind that mine barrages do not guarantee protection in all

circumstances against an enemy who is ready for operations.

Additional military measures:

- a. Employment of all submarines in sailing readiness on both sides of the Channel and on the approach routes of enemy forces (air supremacy of particular importance).
- b. Use of the available large naval vessels for diversionary actions. Atlantic warfare by the pocket battleship "ADMIRAL SCHEER", operations by the cruiser "HIPPER" in the Iceland area, a thrust by battleships, if in operational readiness, diversionary actions by the remaining cruisers.

Furthermore, Armed Forces High Command will be advised of the plans for the crossing, the types of transport vessels, the special aspects of the landing operation due to the variations of tide at the time of landing, speed of transports, organization of the crossing, etc.

In regard to the question of the minor operation in advance of the major landing (landing on the Isle of Wight and on the coast of Cornwall) as suggested by Armed Forces High Command, Naval Staff opposes the idea because such part-operations would probably render the Navy's task more difficult if not impossible.

As to the date on which preparations will be completed, Armed Forces High Command will be advised that, in any event, it will not be before the middle of August. An exact date cannot be set until it is known when air supremacy will be achieved in the Channel area. Only then can the transports, mine-sweeper, escort and minelaying forces be concentrated and comprehensive minesweeping be carried out throughout the area.

Copy of the letter to Armed Forces High Command will be sent to Army and Air Force General Staffs.

- II. In regard to the speeding-up of port repairs at Dunkirk and Cherbourg, Naval Staff, Service Division, Fleet Supply Branch will contact Minister Todt with a view to the large-scale employment of labor from the Organization on clearing and repair work.
- III. Group Baltic has asked that Commanding Admiral, Norway be subordinated to Group North in the course of the planned re-organization of Group Commands for operation "Seelowe".

Naval Staff agrees with this in principle as it is of the opinion that since Group North is responsible for operational warfare it should have effective authority, especially in regard to the distribution of forces, employment of the few available units and balance of the various assignments arising. Chief, Naval Staff has given his consent to this subordination but desires that the special tasks of Commanding Admiral, Norway should be taken into account and that he should retain full independence in all matters connected with protection of the Norwegian area, defense of coastal shipping and expansion of coastal defense.

Situation 22 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Extremely active convoy traffic in the areas off the North Channel, north of Ireland and near the Hebrides. It can now be assumed that nearly all convoys from overseas are directed into this area. Dispersal of the convoys in the area of the North Channel has been confirmed. According to the latest observations, northbound convoys and those bound for the east coast use the route west of the Hebrides and those coming from the east coast the route east of the Hebrides.

On the afternoon of 22 July the Admiralty announced the blocking of the entrances to the Bristol and St. George's Channels by declaring a mined area approximately 50 miles wide from Cornwall to the south coast of Ireland. The area covers the following waters: Hartland Point along the British coast to Trevoze Head. from there to 51° N 7° 14' W, from there to 51° 56' N 7° 34' W, from there along the Irish territorial limit to 52° 11' N, 6° 15' 24" W, from there to 51° 36' N 6° 14' W and from there to Hartland Point. Ships which intend to enter the Irish Sea or Bristol Channel have to sail around Northern Ireland and through the North Channel. The purpose of announcing this declared area is not clear. Obviously it is a precaution against expected German landings in Ireland. It can hardly be assumed that the British expect a break by surface forces through the St. George's Channel

22 July 1940

CONFIDENTIAL

into the Irish sea. Effective closing by mines of the entire declared area is quite out of the question. The complete re-routing of British supply traffic to the northern route complicates German naval and air operations from Western France but, on the other hand, results in an extremely strong concentration of enemy supply traffic in the area west of the Hebrides and the North Channel which will be very favorable to submarine operations. Whether the enemy will completely abandon the supply traffic to the Bristol Channel and merchant traffic in the English Channel in view of the effectiveness of our Air Force and PT boats, cannot yet be foreseen. In any case, the diversion of the vital supply traffic to east coast ports is a severe blow to British economy.

Movements of forces:

The whole of Task Force "H" is at Gibraltar. The aircraft carrier ARGUS is to be expected in the Gibraltar area. According to an Italian report, 1,500 Indian soldiers landed at Gibraltar today.

South Atlantic:

At present the cruiser DORSETSHIRE is on patrol approximately 300 miles west of Freetown and will return to Freetown on 30 July. The cruiser DELHI is at present en route from Gibraltar to Freetown.

France:

The Admiralty has announced that all genuine neutral ships may resume traffic. Norwegian and Belgian ships are not regarded as genuine neutrals and must be held back. Radio Monitoring Reports 1140, 1240, 1330 and 1730 reveal the difficulties encountered by the French Government in having their orders carried out in the Colonies. The attention of local commanders has had to be called repeatedly to the need to carry out the orders given and the terms of the Armistice.

North Sea/Northern Waters:

There were no enemy operations off the Norwegian coast, though busy coastal traffic offers numerous possibilities for attack. According to an intelligence report however, the Norwegian torpedo boat DRAUG, with a British crew, is to make periodical reconnaissance off Namsos and will even take on supplies off Abelvaer (?). Investigations will be made.

22 July 1940

CONFIDENTIAL

Disposition of submarines: CLYDE and TRUANT returning from the Stadtlandet and Bergen areas to Rosyth. On 19 July the TRITON left Rosyth and minelaying submarine PORPOISE left Grimsby for the operational area (TRITON for the Stadtlandet area, PORPOISE for the southwest coast of Norway). H "28" left Harwich for the Texel - East Frisian Islands area. Thanks to good radio monitoring and deciphering it has been possible to avoid the positions of the submarines to a large extent, so that losses by submarine torpedoes are so far gratifyingly low.

Radio intelligence and air reconnaissance report a considerable increase in merchant shipping along the entire British east coast moving north-south, and large assemblies of shipping in the Firth of Forth. In the morning convoys were reported northeast of Cromer (50 ships), off Flamborough Head (20 ships), in the Humber area and off Lowestoft.

The British Admiralty announces the loss of the destroyer BRAZEN (1,360 tons) by bombing. (No position or time is given.)

Own Situation

Atlantic:

Ship "21" was advised of the rendezvous with the tanker RECUM which has been sent out from Tenerife. Point "Schwarz" is laid down as the rendezvous according to the RECUM's sailing orders (see War Diary, Part C, Volume I) in grid square DQ 2396. From 27 - 31 July the RECUM is to be at the rendezvous daily at 0800 and 1600 (see radiogram 1826). After supplies have been taken on Ship "10" (21 ?, Tr.N.) has been ordered to release the tanker to waiting area "Fuerteventura" in grid square GE (as per sailing orders) to supply Ship "10".

The Atlantic ships were informed of the experiences of prize ship KERTOSONO. It must be especially emphasized that a good look-out is essential. The prize ship was sighted by hardly any steamers. Three binoculars are required as steamers' telescopes are of poor quality. Approximately 15 seamen make a suitable prize crew. The prize officer must be briefed as to the area in which immediate offensive action by submarines is allowed and on enemy convoy routes. The prizes are to bring home experience reports and extracts from War Diaries.

22 July 1940

CONFIDENTIAL

Norway:

Transport traffic in northern Norway according to plan.

Naval Shore Commander, Narvik reports that two guns of battery Narvik are ready for action. Construction on battery Tjeldoy was begun on 15 July. Constructional work for batteries Broemsneset and Hambarviken has been started.

A mine-free channel has been established in Griphoelen.

Naval Staff has ordered Group West to return the NUERNBERG and the destroyers at the same time as the GNEISENAU. The HIPPER, repair ship HUASCARAN and supply ship DITHMARSCHEN are to remain at present in the north Norwegian operational area, based on Trondheim.

In view of past experiences with the GNEISENAU and in order to make the best use of escort forces, Group West has ordered the returning forces to sail on 26 July at the same time as the HIPPER, which is to operate against Petsamo merchant traffic. (Unfortunately the HIPPER has just broken down again in spite of six weeks in dock in Trondheim and will not be able to sail until 26 July.)

In regard to the HIPPER's planned operation in northern waters, Group West received the following directive, in reply to inquiry from Commanding Admiral, Scouting Force:

1. Commanding Admiral, Scouting Force will return with the GNEISENAU group.
2. No Soviet ships are to be stopped.
3. From 26 July Ship "45" is ordered to the following operational area: between 20° and 40° north of 73° N and east of 40° E.

North Sea:

The operational Air Force carried out raids on convoys. On the Ems a Finnish steamer struck a mine in the Riffgat. During the night of 22 July enemy planes flew over the Jade and Weser area. Minelaying is suspected (see report 0700).

Channel:

Admiral, Northern France reports that mopping up of the Channel Islands has been completed.

22 July 1940

CONFIDENTIAL

In the evening, S "35", S "36", S "34" and S "22" of the 2nd PT Boat Flotilla left Boulogne for minelaying operations.

Three boats of the 1st PT Boat Flotilla made a sweep from Cherbourg to Portland.

Group West has ordered the 9th Air Division not to lay any more mines off the southeast coast of Great Britain south of the latitude of North Foreland, in view of future operations.

Skagerrak/Kattegat:

Mine Situation: A Danish auxiliary sailing vessel struck a mine off Frederikshavn. In the Sound two mines were swept off Lappegrund. Minelaying was observed or suspected during enemy air incursions over Schleswig - Kiel Bay - Fehmarn - Baltic Sea entrances on the night of 22 July.

Norway transport traffic without incident.

Submarine Situation

U "43" entered Wilhelmshaven.

In the Atlantic operational area: U "A", U "30", U "62".

In Lorient: U "34", U "52", U "56", U "58", U "99".

In Bergen: U "61", U "57", U "59".

In the evening U "57" left for the operational area and U "61" began her return passage to Heligoland Bight.

Successes:

U "58" reports the sinking of 14,000 G.R.T.

Mediterranean

Nothing to report.

22 July 1940

CONFIDENTIAL

Air Situation

See Air Force Events of the Day.

Operations against convoys without visible results. Harassing attacks on power plants and airfields were continued. The 9th Air Division laid mines off numerous ports and will continue this during the night of 22 July in the Firth of Forth, Thames Estuary, Bristol Channel and Channel ports.

23 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Reliable reports from Great Britain speak of great depression and strong differences of opinion in leading circles concerning continuation of the war. The German air raids are said to be extremely successful. The people are staking all their hopes on the Fleet. The British Government has stated that the beginning of an invasion covered by the German Fleet will give the British Navy a chance to fight for victory.

Russia:

For the results of Stalin's discussions with the British Ambassador, Cripps, concerning the position of Soviet Russia, see Political Survey No. 170. According to this, the British attempt to separate Russia from Germany has failed completely. Stalin is of the opinion that:

The German successes do not threaten Soviet Russia; Russo-German relations do not depend on passing circumstances but are founded on the basic interests of both countries.

Russia has no objection to trading with England provided that she does not interfere with Russia's trade with other countries.

No state is entitled to exclusive seizure and control of the Balkan States and Russia also makes no such claim.

Sole control by Turkey in the Dardanelles and Bosphorus and in the Black Sea is opposed by Russia.

Finland:

The German Ambassador reports that the evacuation of Finnish troops from the Aaland Islands is now almost complete. Material and guns have been removed. All work on fortifications has been suspended; coastal forts and gun emplacements have been blown up.

Thus the status of the Aaland Convention of 1856 and 1921 has been restored.

Japan:

The composition of the new Konoye cabinet indicates that Japanese policy is tending more towards the Axis powers and a firmer stand against Great Britain.

The strongest man in the cabinet is War Minister Tojo, who is known as an active and pro-German personality. The Foreign Minister, Matsuoka, is a sound political economist who has German sympathies but, on the other hand, also has close contacts in American financial circles due to his former activities.

Conference on the Situation with Chief, Naval StaffSpecial Items:Operational "Seeloewe":

1. All problems in regard to speedy establishment of firing readiness of guns were clarified in the course of discussions with Inspector General Minister Todt on 22 July on the organization for setting up coastal artillery on the Channel coast in the Cape Gris Nez - Calais area. The Todt organization will undertake the work with the greatest enthusiasm and speed. Minister Todt's specially cooperative attitude is a guarantee that all the Navy's construction requirements will be speedily dealt with.
2. Naval (Ship) Construction Division has set up twelve workshops for the conversion of the required barges. The seventy to eighty coastal motor ships are to be converted in Wilhelmshaven. All this conversion work will be possible only if construction work on the TIRPITZ is delayed; this, however, must be accepted. Besides the conversions for the actual transport task an extensive degaussing program is to be carried out. Sequence of installation: German naval vessels, steamers, transport vessels, tugs, barges.
3. Personnel required for the transport operation, as estimated by Service Division, Organization Branch, amounts to approximately 24,000 men as follows:
 - 16,000 men for manning barges
 - 4,000 " for 250 steamers
 - 3,500 " for motor boats
 - 500 " for naval labor groups in ports, etc.

4. Naval Staff feels it to be its duty to point out once again to Armed Forces High Command and to the General Staffs of the Army and Air Force the extent to which its special preparations will depend on the operations of the Air Force. In connection with the general statement issued yesterday, Naval Staff has therefore thoroughly explained in a letter l. Sll. Top 1054/40 of 23 July (file "Seeloewe" Order No. 15) how the Navy's preparatory measures for operation "Seeloewe" depend on the time at which the large-scale Air Force attack on Great Britain begins or at which air supremacy is achieved.

Naval Staff calls attention to the necessity of eliminating the enemy Air Force as soon as possible or of obtaining definite air supremacy in connection with the following measures:

Smooth transport of barges to the conversion yards and to the assembly areas when completed. Uninterrupted clearance of ports and inland waterways in the assembly area by the Todt Organization.

Concentration of transport vessels in the loading ports, undisturbed execution of assembly movements, undisturbed mine-sweeping according to plan, necessity to safeguard all mine-sweepers and transports since there are no reserves.

Laying of the planned flanking barrages for protection of the crossing area by destroyers, torpedo boats and minelayers. Need for concentrating strong patrol forces in the Channel.

5. Decisive steps must be taken to assign the urgently needed officers and men for operation "Seeloewe". On 23 July Commander in Chief, Navy ordered (amongst other things) that:
- a. the old battleship SCHLESIEN be laid up in Gdynia.
 - b. the crew of the SCHLESWIG-HOLSTEIN be reduced, so that she may be used as a target ship.
 - c. the crew of cruiser EMDEN be reduced to war strength as a Fleet cruiser.
 - d. the crew of the cadet training ship TANNENBERG to be reduced to war strength as a minelayer.

The cadets and parts of nucleus crews released are to be used

23 July 1940

CONFIDENTIAL

for setting-up the 40th, 42nd and 44th Minesweeper Flotillas and the formations for Commanding Admiral, France. Cadets are to be assigned to patrol and minesweeping units in such a way as to ensure their employment in front line forces.

6. The designations of port and sector commanders on the occupied coast are changed to: Naval Shore Commanders, Flanders, Pas de Calais, Normandy, Brest.

Situation 23 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Convoy movements: Radio monitoring confirms busy convoy traffic in the area west of the Hebrides - North Channel. Convoy RS 5, escorted by two destroyers and coming from the Clyde, is to meet the ARGUS and auxiliary cruiser MALOJA at the entrance to the North Channel at 1600 on 24 July. As ARGUS is expected in Gibraltar on 29 July this convoy is evidently sailing to the south.

The auxiliary cruiser DUNVEGAN CASTLE is escorting convoy SL 39 which is coming from Freetown (position on 21 July 45° N 21° 20' W).

Shipping movements: On 23 July the auxiliary cruiser COMORIN entered the river Tyne (with convoy HX 56). On 22 July the auxiliary cruiser PRETORIA CASTLE left Freetown; on 20 July the auxiliary cruiser HECTOR left Colombo and on 22 July the cruiser HOBART left Aden for patrol duties.

Navigational measures off the west coast indicate the effectiveness of our aerial minelaying. On 20 July Milfordhaven and Devonport were closed owing to mines. It is announced that lights are to be extinguished in the area of Eddystone, the Scillys, Land's End and Berry Head.

France:

Numerous French radio messages in connection with merchant shipping and supply of the colonies reveal the extremely difficult supply situation in France and in some colonies. The Panama Canal has been closed to French ships; several ships in the Indian Ocean and the Pacific have been seized by the British. It appears that

23 July 1940

CONFIDENTIAL

the British stop all Atlantic-bound ships.

Great Britain is making a great effort to obtain the 100 American planes aboard the aircraft carrier BEARN by means of negotiations. France wishes to keep them. The United States have requested the British to avoid incidents in the American safety zone.

North Sea/Northern Waters:

Submarine Situation: At present there are four British submarines in the Norwegian coastal area from Stadtlandet to southwest of Lindesnes. The submarine PORPOISE is still en route to the area west of Trondheim; the CLYDE is returning home.

Four submarines are reported in the southern part of the North Sea in the area between the Hoofden and Texel.

Enemy movements: in the evening the cruiser DEVONSHIRE was in Scapa. Minesweeping by minesweepers and trawlers in the Harwich area. The Admiralty announced the loss of the trawler CAMPINA through striking a mine. In the evening three destroyers left Harwich and met three more destroyers northeast of Orfordness.

About 2100 enemy reconnaissance planes made contact with the German minelaying formation southwest of Lindesnes; the sighting report was transmitted to all British warships in the Rosyth, Orkneys and Shetlands areas. Immediately afterwards there was heavy radio traffic. A tactical order was issued to destroyers.

Own Situation

Atlantic:

The following order concerning possible operations by Ship "33" was transmitted to the Atlantic ships:

Operational possibilities for Ship "33" in the Cape area:

1. Minelaying off Cape St. Francis.
2. Operational areas permitted: South Atlantic south of 20° S, east of 0° for the period 1 - 20 Aug.; western part of the Indian Ocean south of 20° S for the period 1 - 31 Aug. In

23 July 1940

CONFIDENTIAL

case the appearance of Ship "10" or Ship "16" might endanger Ship "33", Ships "10" or "16" must report.

After operating in the Cape area Ship "33" will follow her operational orders. Opportunities for action en route to be exploited.

The Atlantic ships were advised of new enemy movements (see radiogram 1603).

On 21 July the British Admiralty issued the following signal to all British ships:

For the sake of safety, the approach of enemy raiders is, at all costs, to be reported by radio. The enemy knows this and will try first to close in to shoot away your antennae. It is therefore of vital importance that the radio report be made before the enemy has approached close enough to do this. The risk of a false report must be accepted. Ships which appear to be closing in for a surprise attack are immediately to be regarded as suspicious and reported. This can be withdrawn at any time if suspicion is not confirmed.

Commander in Chief, East Indies Station informed the British forces on the morning of 23 July that a bearing had been taken on an enemy raider at 5° 30' S and ? E on the morning of 20 July. (We have not received any radio signal from Ship "16" but this does not mean that she did not send one, since radio communication from the Indian Ocean may perhaps be unsatisfactory.)

(For information transmitted to the Atlantic ships see Radiogram 1417.)

Norway:

In regard to operations in the North Cape area, Commanding Admiral, Norway has ordered that the guns provided for Battery "Ramnes" are to be despatched immediately to Kirkenes. Battery "Ramnes" will be made ready as scheduled with other guns.

Transport traffic on the west coast without incident.

Commanding Admiral, Norway has protested against the 10th Air Corps' plan to transfer the 506th Coastal Patrol Group from Trondheim to Stavanger as soon as the GNEISENAU has left. The elimination of sea reconnaissance for Trondheim, which will remain a Fleet base, is unthinkable especially in view of increased tasks in the north, supply traffic and operations against British merchant traffic. The matter will be cleared up with the Air Force.

23 July 1940

CONFIDENTIAL

North Sea:

At 0030 on 23 July the minelaying formation of six minelayers, five torpedo boats and three minesweepers left Wilhelmshaven to extend the barrages in the North Sea declared area to the north. Barrage 18 to be laid from $57^{\circ} 39' N 3^{\circ} 12' E$ to $57^{\circ} 59.5' N 3^{\circ} 0.5' E$, true course 164° .

The formation advanced according to plan. At 2100 enemy planes were repulsed southwest of Lindesnes; they apparently maintained contact during the night and possibly also observed the laying of the mine barrage. In view of the heavy British radio traffic caused by the planes' reports the formation was ordered at 2118 by Group West to put in to Stavanger.

During the night of 22 July numerous enemy planes flew over the Heligoland Bight and northwest Germany. Bombs and mines were dropped. (For details see report 0700).

110 miles east of Aberdeen a plane of Commander, Naval Air, West destroyed an enemy submarine by bombing (probably the British submarine CLYDE en route to Rosyth or a large minelaying submarine (PORPOISE ?) en route to Kristiansand).

Channel:

During a minelaying operation on the night of 22 July the 2nd PT Boat Flotilla encountered patrol boats off Galloper Bank and was driven off to the north by destroyers. Twelve EMC mines were laid east of the planned location in grid square 8711 upper left (off Outer Gabbard).

A sweep by the 1st PT Boat Flotilla towards Portland produced no result.

The 2nd Squadron, 106th Group was transferred to Brest.

Skagerrak/Kattegat:

Nothing to report. Escort and transport duties were carried out as planned.

The TANNENBERG broke off her operation against merchant shipping in the eastern Baltic Sea without result.

Group Baltic calls attention to the necessity for immediate restriction of all sea traffic, especially leave transports to

23 July 1940

CONFIDENTIAL

Norway, and for the arrangement of transportation by land via Sweden, since new commitments for operation "Seeloewe" will soon require a great reduction or even suspension of escort for fast troop transports and regular material and personnel traffic. Naval Staff concurs. Transportation of men on leave via Sweden has already been planned. Further restriction of sea transports will be arranged between High Command, Navy, Service Division and Armed Forces High Command, Supply and Transportation Office of the Armed Forces, North.

Submarine Situation

U "34" left Lorient for the operational area.

U "59" put out from Bergen in the evening for the operational area.

Otherwise no change from 22 July.

Merchant Warfare against France

The Atlantic forces received the following order: Right of prize is, in general, to be further enforced against France. Ships encountered on the high seas are to be treated as enemy ships and must be sunk if it is impossible to bring them in. An exception is coastal traffic along the French coast. Immediate offensive action only if ships are recognized to be armed. Contraband regulations are to be applied to neutral ships with cargo for unoccupied France and French possessions.

Merchant Shipping:

Ore shipments from Lulea:

The total quantity of ore shipped this year (up to 6 July) via Lulea to German ports amounts to 906,513½ tons. Loading facilities were used to full capacity. There was a greater amount of shipping available than could be cleared. Therefore, German ships had to lie in port for an average of three to four days.

23 July 1940

CONFIDENTIAL

German merchantmen captured by the French:

According to a list received from the French Armistice Commission of German merchantmen captured by French naval forces, the steamer CHEMNITZ (5,522 G.R.T.) now SAINT BERTRAND is in the Gulf of Mexico, SANTA FE (4,627 G.R.T.) now SAINT ANDRÉ is at Marseille, steamer TRIFELS (6,198 G.R.T.) now SAINT LOUISE is at Dakar, steamer ROSTOCK (2,542 G.R.T.) now SAINT MAURICE is at Lorient. Data as to place and time of capture conform with the information already available to Naval Staff.

Air Situation

See Air Force Events of the Day.

During the night of 22 July successful raids were made on airfields, harbor installations, ammunition depots and industrial plants in Great Britain.

The 9th Air Division continued minelaying.

Mediterranean

Nothing special to report.

The Naval Attaché reports operational plans of the Italian Armed Forces for the near future at the eastern border of Cyrenaica and from Abyssinia against British Somaliland. The Italians will attack British Somaliland as soon as changes have been made in the command in French Somaliland and military resistance there eliminated. After completion of preparations now under way, an attack from the eastern border of Cyrenaica against Mersa Matruh is planned. The possibility of Italian action against some of the Ionian Islands, to forestall the British, is being investigated.

For details, see Attaché's report in War Diary, file "Italian Warfare".

24 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Churchill made a short speech in the House of Commons on 23 July, but did not allude to the Fuehrer's speech. Therefore, the statement made by Foreign Minister Halifax on 22 July in which he definitely rejected a German peace proposal must be regarded as the official comment of the British Government on the Fuehrer's last appeal. Recognition of the newly-formed Czech provisional Government must be considered as an indirect reply to the Fuehrer's speech.

Yesterday's session of the House of Commons was devoted primarily to passing new tax bills which impose heavy demands on property. All British statements and measures indicate that they intend to stake everything in the attempt to get through the coming winter and repel a German invasion until the spring of 1941 as they firmly believe that the United States will intervene at the beginning of 1941.

U.S.A.:

It is gathered from a report of the German Consul General in Chicago that Roosevelt's speech, made after accepting nomination as presidential candidate, may be considered as a very pointed anti-German message. He obviously hopes to strengthen Great Britain's resistance against any tendency towards compromise and encourage her to hold out and continue fighting until the United States can enter the war, which is not yet possible.

According to reports from Central America, political developments there during recent months are marked by the complete surrender of the small Central American countries to ruthless pressure from the United States, this being so strong that the republics have abandoned any policy of their own.

Baltic States:

See Political Survey.

Portugal:

The Portuguese Government is planning to send troops from the

24 July 1940

CONFIDENTIAL

Home Army to defend the colonies. The majority will go to Mozambique.

Conference on the Situation with Chief, Naval Staff

1. Report by Chief, Operations Branch on the installation of batteries on the Flanders coast and relative organization.
2. Report by Chief, Naval Ordnance Division on the employment of location devices on the Channel coast. According to reconnaissance reports, there are a great many radar stations along the British coast. Their performance is probably comparable to that of our own devices. As to our own location at night and in bad visibility:
 - a. Radar sets: distance very accurate, line of bearing accurate to 1° . If the British succeed in keeping their shipping close to the cliffs, measurement would be made difficult by echo effect. Hence, the importance of minelaying close to the British coast aimed at forcing British shipping out to sea. Radar is not affected in comparatively heavy mist.
 - b. Infra-red photography: can reach as far as the British coast even in misty weather; however, it cannot penetrate dense fog; at night, range is only 10 km. The set produces the picture immediately after taking. Efforts are being made to bring the best sets into operation as soon as possible.
 - c. Thermal location gear is also to be employed. It could be suitably used in cooperation with radar, although its range is not so great. Thermal location gear gives line of bearing accurate to $2/16$. At night range is only 20 km.

Situation 24 July

Special Reports on the Enemy

Atlantic:

In the afternoon convoy RS 5, coming from the Clyde, met aircraft

24 July 1940

CONFIDENTIAL

carrier ARGUS and auxiliary cruiser MALOJA at the entrance to the North Channel and began its passage southward. Convoy SL 39 is escorted by the auxiliary cruiser DUNVEGAN CASTLE.

On 24 July the auxiliary cruiser PATROCLUS entered Lisbon. During the night of 23 July the aircraft carrier ARK ROYAL and cruiser ENTERPRISE left Gibraltar, direction unknown.

South Atlantic:

On 22 July the auxiliary cruiser PRETORIA CASTLE entered Freetown. On 24 July the cruiser DRAGON arrived at Duala.

Cruisers CUMBERLAND and CANBERRA and gun boat BRIDGEWATER are also believed to be in the Cape area and off the west coast of South Africa. On the evening of 20 July Gibraltar radio station transmitted an order to the British Consul in Las Palmas indicating the presence of camouflaged enemy auxiliary cruisers in the Atlantic and Indian Oceans. Reference is made to the necessity for immediate relay of distress signals.

North Sea/Northern Waters:

At 0300 a weather plane reported an aircraft carrier northwest of Trondheim. The report was not confirmed and was evidently a mistaken observation of the supply ship DITHMARSCHEN. This demonstrates the difficulty of recognizing types of ships if inexperienced observers are operating on sea reconnaissance. In the above case, the dispatch of bombers would have seriously endangered the supply ship.

Enemy air reconnaissance, which contacted our minelaying formation on the evening of 23 July, reported it again in the early hours of 24 July. Bombers and torpedo formations were sent out. Heavy radio traffic indicates also the despatch of naval forces. According to a report from the British Admiralty, the formation of German auxiliary vessels was attacked by torpedo bombers on the morning of 24 July in the eastern North Sea and one ship of KOENIGIN LUISE class was hit by a torpedo.

The aircraft carrier FURIOUS and one cruiser were reported to be at sea in the Scapa area. According to radio intelligence the cruiser YORK was carrying out gunnery firing during the afternoon.

Channel:

Engagement between British and German PT boats.

24 July 1940

CONFIDENTIAL

Own Situation

Atlantic:

There have been no reports from the auxiliary cruisers. According to a Reuter dispatch, two missing lifeboats from the steamers KING JOHN and DAVISIAN were picked up by Norwegian steamers and put ashore at an island in the Lesser Antilles. Ship "21" was advised accordingly, as important information on the German auxiliary cruiser will thus become available to the enemy.

The Atlantic ships were advised of enemy movements (see Radiogram 1729).

Norway:

A Norwegian steamer struck a mine off Egersund. Otherwise nothing to report.

North Sea:

The minelaying formation carried out its operation as scheduled. The order to enter Stavanger issued yesterday evening by Group West, in view of the report of shadowing planes, was canceled. The formation was ordered to Kristiansand and began its return passage through the Skagerrak/Kattegat into the Baltic Sea. At 0345 on 24 July enemy planes made unsuccessful high and low level attacks 100 miles west-southwest of Lister. At 0512 a plane reported British PT boats (?) 50 miles northwest of the minelaying formation.

During the night of 23 July there were enemy air raids on the North Sea coast and northwest Germany; no special damage. See report 1305.

Channel:

The 4th Motor Minesweeper Flotilla completed minesweeping off Cape Gris Nez. During the night of 23 July there was a brief engagement with British PT boats off Cape Gris Nez.

During a minelaying sweep, the 2nd PT Boat Flotilla again met numerous patrol boats off the Thames. It was impossible to avoid them in the clear moonlight. Therefore, mines were laid in the area to the south (grid square 7935 right center to 7936 lower left (east of Galloper)).

24 July 1940

CONFIDENTIAL

Skagerrak/Kattegat/Western Baltic:

During the night of 24 July enemy planes flew over Schleswig-Holstein into the western part of the Baltic Sea. Bombs were dropped near Wismar. Minelaying is suspected in the Great Belt, off Fehmarn and in the Kiel Canal. Minesweeper M "75" swept a mine in the northern outlet of the Sound. In the Little Belt, a ground mine was found in a fishing net.

The Gjedser net barrage was lifted.

Transport traffic without incident.

The new torpedo boats T "3", T "6", T "7", T "11" will come under the tactical control of Commanding Admiral, Defenses, Baltic as from 30 July.

Submarine Situation

Nothing to report.

In the Atlantic operational area: U "A" west of Freetown, U "62" off the North Channel.

On return passage: U "30" to Lorient, U "61" to Wilhelmshaven.

On passage: U "34" left Lorient, U "59" approaching the North Channel, U "57" west of the Orkneys.

In Lorient: U "52", U "58", U "99", U "56".

Submarine Successes: The Greek steamer ADAMASTROS was sunk in the Atlantic. A brief report from U "43" gives information on the longest operation so far (10 weeks): condition of personnel and material good. There were a number of torpedo failures as the boat was not yet equipped with improved torpedoes. Success: four vessels, approximately 38,509 tons.

Special Items concerning Submarine Warfare:

The Italian Naval Staff proposes that 25 - 40 Italian submarines be sent into the Atlantic. It therefore requests that a suitable base be placed at its disposal on the French Atlantic coast within

24 July 1940

CONFIDENTIAL

the German-occupied area, the base to be organized by the Italians. The Italian Naval Staff has made the generous suggestion that their Atlantic submarines, under Italian tactical command, be subordinated for joint submarine warfare to the experienced German submarine command.

This proposal will enable us to double the number of submarines in the Atlantic. The assignment of the Italian submarines will make possible operations against merchant shipping in accordance with German experiences and in agreement with German operational plans.

Naval Staff's views on this matter are as follows:

1. The Italian offer should be accepted.
2. Joint operations by German and Italian submarines, in close tactical cooperation, will not at first be possible (great difficulties of communication, etc.).
3. The British blocking of the St. George's Channel and shifting of their supply routes has created separate centers of operation in the area off the North Channel and in the approximate area of the Azores. Operations by German boats off the North Channel from Lorient and Norway, and by Italian boats in the southern area from a base on the French Atlantic coast, will have to be planned.
4. A base, e.g. Bordeaux, must be provided for the Italian headquarters. A German Liaison Staff from Commanding Admiral, Submarines must be appointed with close operational contact and means of communications with Commanding Admiral, Submarines in Lorient. This would make for considerable Italian independence and at the same time guarantee extensive influence, through a suitable Liaison Staff, on the employment of the Italian submarines and full exploitation of German operational experience. (The views of Commanding Admiral, Submarines have not yet been received as he is at present in Lorient.) The following teletype was sent by Naval Staff to the Chief of the Liaison Staff attached to the Italian Naval Staff in Rome:
 1. In view of military and political repercussions the Fuehrer must be informed of the far-reaching Italian offer. Therefore, a final decision cannot be expected for some days.
 2. For consideration of the technical aspects, data should be given on extent and time required to establish an Italian

operational base on the French Atlantic coast.

3. The dispatch of a number of submarines into the Atlantic south of 40° N is already desirable.
-

Merchant Shipping

Dutch traffic: On the morning of 24 July the Russian transport convoy from Rotterdam (transfer to Leningrad of three tugs and two floating cranes built in the Netherlands) was bombed and machine-gunned by British planes off Helder. According to a radio report from the Russian steam tug AVANTI, the vessels were flying the Russian flag and were clearly marked for recognition from the air.

French traffic: The military commands and Reich civilian authorities represented on the Special Staff for Mercantile and Economic Warfare in Armed Forces High Command have forwarded a memorandum to the Armistice Commission concerning resumption of French merchant traffic (for memorandum see file "Armistice with France").

Air Situation

See Air Force Events of the Day.

There were successful raids by armed reconnaissance planes on convoys off the British southeast coast. The 210th Heavy Fighter Group sank four steamers in a convoy of six vessels and set another on fire. In the afternoon the same Group attacked ships proceeding in company between Harwich and Orfordness and sank another steamer.

Mediterranean

Nothing to report.

The submarine (Italian?) which returned from the Atlantic after an

24 July 1940

CONFIDENTIAL

unsuccessful cruise, encountered only a small amount of neutral shipping between the Canaries and the African coast. She passed through the Straits of Gibraltar without special difficulty. This report is of great value in regard to the dispatch of more submarines to the Atlantic, hoped for in the near future.

Items of Political ImportanceFrance:

While most of the French African colonies have now acknowledged the Pétain Government, the Government and the Commander in the French Cameroons have definitely taken sides with Great Britain.

U.S.A.:

The American press regards the entry of the United States into the war as almost inevitable. In this connection the Hearst Press writes:

"The attitude of the United States towards Great Britain corresponds closely to Italy's attitude towards Germany before she entered the war. At the moment, the United States can support Great Britain more effectively by non-participation. However, in a year's time they will be able to join the British Empire in effective warfare and will undoubtedly do so."

In regard to the plans to establish a Pan-American mandate over the European colonies, it is reported that occupation of the French and Dutch colonies is planned seven days after taking possession. For declaring possession, the consent of not all, but of only a few states will be necessary. Argentina is strongly opposed to this.

Hungary/Rumania:

The Rumanian Prime Minister and Foreign Minister are with the Fuehrer for discussions. It seems possible that Rumania may agree to Hungary's territorial claims with the following reservations:

- a. Cession only periodically and not all at once.
- b. Hungarian claims must be restricted to the western zone (provinces of Arad, Great Wardein and two others).
- c. Exchange is to be ensured of the Rumanians living in these provinces with the Hungarians living in the interior of Transylvania.

It is probable that, under pressure from the Axis Powers, Hungary as well as Rumania will agree to this arrangement. The Balkan situation will probably not be completely settled until the general conclusion of peace.

Conference on the Situation with Chief, Naval StaffSpecial Items:1. Report by Chief, Operations Branch on the status of preparation for operation "Seeloewe":I. Organization of transport:

Army requirements: First wave, consisting of approximately 26 reinforced regimental groups (about 90,000 men, 4,500 horses, 650 tanks, also infantry guns, anti-tank guns, trucks, other vehicles, etc.).

Transport requirements:

For the Ostend - Boulogne area about 550 barges, 185 tugs, 370 motor boats.

For the Le Havre - Cherbourg area about 45 steamers, 90 barges, 30 tugs, 180 motor boats.

Air Force requirements: about 52 anti-aircraft batteries in the first wave for Army use.

Owing to lack of tugs and space for transport vessels in the ports, this additional demand, which was only submitted yesterday, cannot be fulfilled. At most 30% of the required anti-aircraft can be transferred.

In the second wave, transfer of 160,000 men with equipment is required. This calls for approximately 2,000,000 tons of shipping. Requisitioning of ships has not yet been completed. Sub-division of the second wave will be necessary.

II. Conversion work:

Conversion of barges: (to carry tanks and additional cargo, discharge ramp in the bow). Material and parts provided for by mid-August. Completion of barges will be attempted by the end of August. (Provided there is smooth delivery.)

Conversion of coastal motorships for "very short wave communication vessels". Experimental vessel ready by 28 July. Work on 50 vessels will take approximately four weeks.

Conversion of steamers: cannot yet be estimated.

III. Personnel required:

Extensive inroads on economy and traffic are to be expected. Time required to requisition personnel cannot yet be estimated. Most shipping will be brought to a standstill.

IV. Ports of embarkation and rear communications:

Work has been started by the Division of Harbor Construction (High Command, Navy) and the Todt Organization as well as by engineers. Ports will be ready by approximately 1 Sept.

V. Reconnaissance of the enemy coast is being carried out as regards possibilities for landing, coastal defense and air reconnaissance.

VI. Mines: Exploratory sweeps have been started. Minesweeping has been detected by the enemy. Time required, in absence of enemy action, at least three weeks. Minesweeping according to plan can be started only after establishing air supremacy. Provision of mines has been arranged. They will be available at the ports by mid-Aug. Time required for minelaying, 14 days. Use of the entire stock of mines is planned.

VII. Supplies: Stock piling in ports for transport fleet and escort vessels is being prepared. Transports have to be defended against enemy action (Air Force, mines).

VIII. Organization: will be established in loading ports by the middle of Aug. (Port Commanders, Port Captains, harbor personnel).

(For details also see appendix to memorandum of discussions with the Fuehrer on 25 July in War Diary, Part C, Volume VII.)

2. Memorandum l.Skl. Iop E 1065/40 of 25 July (see War Diary, file "Seeloewe" Order No. 16) to the Army General Staff with copies to Group West, Fleet and Liaison Officers attached to the Army, gives first detailed information on results of investigations so far in regard to transport space required, suitable distribution of the individual units for loading to the embarkation ports on the French coast, assessment of the individual ports which has so far been possible and the limits of their capacity.

25 July 1940

CONFIDENTIAL

3. At the suggestion of Service Division and in order to relieve the great difficulties in connection with personnel for operation "Seeloewe", Commander in Chief, Navy has ordered that the cruiser LUETZOW, now under repair, be decommissioned until the beginning of 1941. LUETZOW's repairs must not suffer under this measure.
4. In connection with the preparation for "Seeloewe", a branch section of the Naval Office, Bremen is to be set up in Coblenz. Assignment: Distribution of requisitioned vessels to the dock-yards for conversion and transfer of converted vessels to their ports of destination as ordered by Service Division, Transport Branch. Provision or requisitioning of tugs required for this.
5. Chief, Naval Ordnance Division advises that the deadline of mid-Aug. for setting up the four 38 cm. guns in the Calais area cannot be met owing to production difficulties at the Krupp plant. Two barrels can be ready by 15 Aug., the other two not until the beginning to middle of Sept.
6. The continual difficulties encountered in cooperation with the Air Force, which are due to the frequent neglect of urgent naval requirements, are again evinced in the advice received from the 10th Air Corps that, in case of operation "Seeloewe", no reconnaissance can be flown for the Navy (which would be of decisive importance just then).

Even now Group West has practically no influence on the type and extent of air reconnaissance flown for the Navy. Unfortunately such influence has been progressively relaxed by the Air Force's increasing neglect of reconnaissance. In view of the Group's frequently expressed view that it can see "no more assignments" in northern waters and the North Sea it is not without blame for this unsatisfactory situation.

At 1700 Chief, Naval Staff called on the Fuehrer for discussions concerning operation "Seeloewe". (Chief, Armed Forces High Command, General Jodl, Minister Todt, Colonel Schmundt, Captain v. Puttkammer, Captain Voss (Chief, Operations Branch) were present.)

Matters discussed:

1. Italy's participation in Atlantic submarine warfare. The Fuehrer agreed to Italy's participation; command of overall Atlantic submarine warfare by Commanding Admiral, Submarines through a Liaison Staff attached to the Italian submarine command.

25 July 1940

CONFIDENTIAL

2. Report by Captain Voss on the establishment of artillery on the Strait of Dover (see file "Seeloewe"). The Fuehrer approved the employment of naval batteries immediately after their completion for blocking the Channel and supporting minesweeping.
3. Execution of operation "Seeloewe". Chief, Naval Staff again impressed upon the Fuehrer the vast repercussions of these preparations on the German economy.

Report by Chief, Naval Staff on the status of preparations on 25 July with special reference to the urgent need of obtaining air supremacy as soon as possible in order that the Navy's practical preparations may be begun.

The Fuehrer ordered a further conference after preliminary work has been concluded to a certain extent. Chief, Naval Staff will try to give a clear picture of the possibilities of executing operation "Seeloewe" by the middle of next week.

For details, see memorandum of Chief, Naval Staff on the discussion in War Diary, Part C, Volume VII.

Situation 25 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Convoy activities: Radio intelligence again confirms heavy convoy traffic west of the North Channel and on the North Atlantic route. The convoys are protected, when entering or leaving coastal waters, by gun boats, destroyers and planes, and mainly by auxiliary cruisers when crossing the Atlantic.

At noon on 24 July convoy HX 60 escorted by auxiliary cruiser AUSONIA, was off Sable Island, course 110^o, speed 8½ knots. The REVENGE, EMERALD and three Canadian destroyers are in Halifax or vicinity.

On 24 July in a radio message to all ships in the western Channel area Commander in Chief, Western Approaches ordered "Scheme Ia" to

25 July 1940

CONFIDENTIAL

be put into effect in the Plymouth area (System of wartime lights and buoys?). The lights between Berry Head and Trevoze Head are extinguished.

Special Movements:

Central Atlantic: As had been assumed the ARK ROYAL left Gibraltar westward bound during the night of 23 July and was sighted heading west, escorted by three destroyers, south of Cape Tarifa. From submarine warning reports, the group is believed to be en route to Great Britain.

The following were reported to be in the area of the base at Freetown on 24 July: the DORSETSHIRE, DEHLI, VINDICTIVE, auxiliary cruisers ALCANTARA, BULOLO, gun boat MILFORD. Gun boat BRIDGEWATER, formerly stationed off the Cape, left Saldanha Bay on 23 July and is due to arrive at Freetown on 10 Aug.

With reference to the appearance of German raiders, all ships in the West Indies area were instructed on 21 July in case of suspicious approach by unidentified vessels to turn away at full speed with masts in line so as to offer a restricted target, transmitting distress signals at the same time.

Indian Ocean:

On 19 July the Admiralty and Commander, East Indies pointed out to merchant shipping the presence of German auxiliary cruisers in the Atlantic and Indian Oceans, certain orders of the Admiralty and the importance, type and transmission as well as repetition of distress signals.

Merchant vessels in the East Indies area were instructed to proceed at the highest possible speed and to steer zig-zag courses by day and on moonlight nights within 100 miles of all main ports, Cape Comorin, Dondra Head, Cape Negris, Achim Head and through the channels of the Maldives, Andamans and Nicobars. All British merchantmen in the East Indies area were forbidden to show navigation lights. For the showing of lights in port, all ships will follow the regulations in "Defense of Merchant Shipping".

These numerous urgent instructions to all British shipping in the Atlantic and Indian Ocean indicate that the successes of our auxiliary cruisers, only known in part to Naval Staff, are having considerable effect.

25 July 1940

CONFIDENTIAL

France:

The Admiralty ordered the demobilization of various auxiliary cruisers and their re-commissioning as merchantmen.

North Sea/Northern Waters:

No particular reports on the enemy.

The enemy's submarine situation has not undergone much change. One boat is still proceeding to Trondheim Fjord, one is off Stadtlandet, one off Bergen and one off Stavanger.

On the evening of 24 July the cruiser COVENTRY and four escort boats were transferred from Scapa Flow to Loch Alsh.

On the evening of 24 July an anti-invasion maneuver took place in the Thames area during which, shortly before midnight, large invasion fireworks were staged and invasion rockets shot down. Evidently patrols were included in the exercise to observe the light effect.

Channel:

Engagement between British destroyers and PT boats and German motor minesweepers.

Own Situation

Atlantic:

In view of operations against merchant shipping by the cruiser HIPPER, Ship "45" in northern waters was ordered to remain east of 40° E or between 20° and 40° E and north of 73° N as from 26 July.

The Atlantic ships were informed that since the elimination of Dakar, Casablanca and Gibraltar as convoy ports, north-south convoy traffic has been routed westward to the latitude of the Azores approximately 20° - 25° W. This is where it is planned that Italian submarines will operate. Therefore, Ship "21" has been instructed that the eastern limit of her operational area will remain 30° W.

25 July 1940

CONFIDENTIAL

Enemy movements were reported to the auxiliary cruisers (see Radiograms 1829, 2025).

Norway:

At 1900 on 25 July Commanding Admiral, Scouting Force with the GNEISENAU, NUERNBERG and four destroyers left Trondheim to return home; at the same time, the HIPPER left for her northern Norway operational area. The GNEISENAU group will be off Stadtlandet about 0600 on 26 July. Escort will be reinforced from Bergen by five torpedo boats.

The return of the GNEISENAU after a partly voluntary, partly enforced and mainly inactive period in Trondheim reminds Naval Staff of the great hopes which at one time it attached to the commitment of the battleships from the Norway area. Unfortunately, the opportunity offered by the great improvement in the naval strategic situation, due to occupation of Norway, was not exploited. The battleships' successful encounter with the GLORIOUS group was due to a fortunate coincidence. The operational possibilities outlined in the order for operation Northern Norway (Harstadt, Vaags Fjord) were not exploited by the Fleet Command. The sweeps into the Iceland - Faroes area with the aim of destroying the blockading auxiliary cruisers, the importance of which was repeatedly stressed by Naval Staff, were not executed. A battleship operation in the northern area, which, in the enemy's present situation and with the supply ships available, would have been possible over a long period and would undoubtedly have led to successes and important operational consequences, was not carried out.

GNEISENAU is now the second battleship to be damaged by torpedoes and return home and dispels the hopes which Naval Staff had felt it could place in battleship operations for this summer.

North Sea:

Nothing to report. During the night of 24 July there were 18 flights by approximately 40 - 50 enemy planes in three groups over the Heligoland Bight to Schleswig-Holstein, Jade - Elbe estuary, Hamburg, Luebeck and Wismar. No special damage (see Radiogram 0700).

Channel:

During a sweep in the direction of Portland by 1st PT Boat Flotilla on the night of 24 July a large two-funneled steamer was sunk southwest of Weymouth. (The first report named an 18,000 ton steamer).

25 July 1940

CONFIDENTIAL

According to an Admiralty announcement, it was, as also reported by the Radio Monitoring Service, the French ship MEKNES (6,127 tons) which was repatriating 1,300 French officers and men. The ship was carrying lights. Neither the German Government nor the Armistice Commission were informed.

Motor minesweepers returning during the night of 24 July were chased by an enemy PT boat until light anti-aircraft guns on Cape Gris Nez intervened. On 25 July 100 km. off Cape Gris Nez the boats were engaged by enemy destroyers and PT boats which were driven off by the arrival of our dive-bombers. Minor casualties on the motor minesweepers.

France:

Admiral, Northern France reports the transfer of the coastal area between the Dutch - Belgian border and the Somme to Admiral, Channel Coast, Rear Admiral Fleischer (based at Vimille, near Boulogne).

The new base of Admiral, Northern France for the coastal area between the Somme and the Cueson will be Trouville.

Inspection of ports to be used in operation "Seeloewe" revealed: Fécamp and Le Havre will probably be entirely serviceable; St. Valéry is unserviceable. Dieppe, still difficult salvage work, result uncertain. Le Tréport is in good condition. However, at low water the outer harbor is almost dry.

Skagerrak/Kattegat/Western Baltic:

In the evening, submarine alarm and submarine chase east of Kristiansand. Mine situation unchanged. There were enemy flights during the night of 24 July by approximately 15 - 20 planes into the Elbe estuary - Schleswig-Holstein - Great Belt - outer Kiel estuary - Luebeck - Wismar. Bombs were dropped without causing special damage. Minelaying is suspected.

Transport traffic was carried out without incident.

The minelaying formation is proceeding through the Great Belt to Kiel and then through the Kiel Canal to the west.

25 July 1940

CONFIDENTIAL

Submarine Situation

Nothing to report.

In the Atlantic: U "A" (Central Atlantic), U "34" west of the Bay of Biscay, U "57" west of the North Channel.

Lorient: U "30", U "52", U "99", U "56", U "58".

Outward bound: U "59" west of the Shetlands.

Return passage: U "62" to Bergen.

Successes:

U "30" reports sinking a 1,100 G.R.T. steamer. The British radio reports the landing of survivors of the Norwegian tanker SAITA (5,824 tons) in Recife (Brazil). The ship was torpedoed recently off the Cape Verde Islands.

She may have been sunk by U "A" or Ship "10".

Mediterranean

See Situation Mediterranean.

Nothing to report from naval forces. According to an Italian report, 2 damaged cruisers (one of them seriously damaged), 1 battleship and 3 destroyers entered Alexandria on 9 July.

On 24 July air raids were made on Alexandria, Haifa and Malta. Good results are reported.

The Italian Naval Staff has submitted a memorandum via the Liaison Staff, Rome concerning cooperation between the German and Italian Navies. This, on the basis of the detailed discussion between Chief, Liaison Staff, Admiral Weichold and Naval Staff (18 July), contains an investigation of the changed strategic situation and outlines principles for further joint warfare. (For Memorandum see War Diary, Part C, Volume "Italian Warfare".)

Naval Staff is basically in accord with the operational cooperation

25 July 1940

CONFIDENTIAL

suggested in the memorandum. Commanding Admiral, Submarines also has no objection to the type of planned joint submarine warfare in the Atlantic, but welcomes it warmly as an extension of the submarines' operational possibilities. Liaison Officers must be exchanged. We shall place Bordeaux or Bayonne at Italy's disposal if desired. The later use of Casablanca will depend on the operational situation. As, under certain conditions, Bordeaux might become of importance to ourselves, limits for naval and air defense and mine protection etc. will require special attention. The Italians will be responsible for establishing and manning the submarine base and for organizing communications between the bases and Italy. Communications between Lorient (Commanding Admiral, Submarines) and Bordeaux, however, must be ensured by us. Liaison Staff, Rome will be informed accordingly. Naval Staff does not entirely agree with the Italian Naval Staff's assessment of the Mediterranean situation. In contrast with the Italian view that, owing to the cessation of merchant traffic in the Mediterranean, possibilities of submarine operations have greatly decreased, Naval Staff still sees a wide field of activity for Italian submarines in the Eastern Mediterranean and the Aegean Sea where, according to information received by Naval Staff, considerable enemy merchant traffic is still going on undisturbed.

The "strong patrol" of the Gibraltar Straits, described in the memorandum as particularly deterrent, is not considered so strong by Naval Staff and should not be a hindrance to submarines.

In describing the mutual effects of Italian and German naval warfare, the Italian Naval Staff's memorandum fails to mention the great strategic aim of Italian warfare in the Mediterranean. Since the fall of France, Naval Staff considers Italy's main task in the Mediterranean to be:

The concentration of operations by all three Services on eliminating British control in the Eastern Mediterranean. Mutual support, for which there are also many possibilities for the Italian Navy, in encircling the British Fleet, capturing Egypt and eliminating British influence in Palestine and Turkey.

Air Situation

See Air Force Events of the Day.

25 July 1940

CONFIDENTIAL

Successful action by armed reconnaissance planes against convoys and ships in company. Reconnaissance planes reported 60 - 90 ships lying in the Clyde including 15 tankers.

Dive-bomber and bomber formations (1st Dive-Bomber Wing, 1st Special Duties Wing, 210th Heavy Fighter Wing) made a most successful attack on a convoy of 23 ships between 1500 and 1800 southeast of Folkestone. Ten steamers were reported sunk, and two more set on fire. The attacks undoubtedly achieved good results but the number of steamers reported sunk must be taken with reserve as it is possible that several planes dropped their bombs on the same steamers and observations overlapped.

Dive-bombers attacked destroyers, setting one on fire and damaging another.

The 9th Air Division dropped aerial mines in several ports.

26 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

According to the British press, it is planned to extend the British blockade to the west coast of Europe and North Africa. It will be explained to the Portuguese and Spanish Governments, which so far have not been greatly affected by the British contraband control, that the main reason for extending the blockade is to prevent supplies of war material from reaching Germany or Italy.

The sinking of the French steamer MEKNES by a German PT boat has called forth various statements in the British House of Commons. It is asserted that the French and German Governments were notified of the ship's departure. The sinking will be used for widespread propaganda in France and will be made known by leaflets to all Frenchmen returning from Great Britain to France before they embark.

Serious anti-British riots have broken out in Cyprus. Since the situation of Gibraltar and Malta has become untenable, the population is afraid that Cyprus will be turned into a naval and air base.

France:

Through a contact with the German Ambassador, Minister Laval is trying to sound out the possibility of resuming trade between France and Germany, especially in regard to the sale of products from the French colonies to Germany and reciprocal delivery of industrial machinery. Laval wants to open up a market for the French colonial products as the only way of maintaining the colonies' economic life. For details, see notes of the Armistice Commission in file "Armistice".

Italy:

According to a report from the Military Attaché in Rome, the Italians have requested Japan to supply Italian East Africa with vital goods via the ports on the Indian Ocean. Japan has agreed in principle, but points out doubtful success in view of the British patrol of the Indian Ocean.

U.S.A.:

Roosevelt has issued an official decree by which, from now on,

26 July 1940

CONFIDENTIAL

crude oil, oil products, iron and other metals can be exported only by special permit. Full power is granted to American authorities to prohibit shipments to Portugal and Spain although these countries lie outside the American war zone. This measure is obviously intended to support the British blockade, as it is assumed that the oil would be sent on from Spain to Germany.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Chief, Naval Staff reported on the results of yesterday's discussion with the Fuehrer (see memorandum).
 2. Chief, Naval Staff ordered the installation of coastal batteries (sea target and anti-aircraft batteries) in the eastern area (East Prussian and Pomeranian coast) to be expedited.
 3. Admiral Marschall was appointed Inspector of Naval Training; Rear Admiral Schmundt was appointed Commanding Admiral, Cruisers.
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Situation 26 July

Special Reports on the Enemy

Atlantic:

Great Britain:

Convoy situation: On the evening of 25 July convoy RS 5 was about 200 miles west of the North Channel. The convoy was escorted by the aircraft carrier ARGUS, auxiliary cruiser MALOJA and four destroyers. They are presumably proceeding to the south, as the ARGUS is expected at Gibraltar on 29 July. Several eastbound and westbound convoys were reported by radio intelligence west of the North Channel. Convoy HX 58 is approaching the rendezvous area and was attacked by one of our submarines about 300 miles west of the Hebrides.

Presumably on account of aerial mines several steamers in the Irish Sea were diverted to Holyhead.

CONFIDENTIAL

26 July 1940

CONFIDENTIAL

On 25 July the old battleship REVENGE and cruiser EMERALD were identified as convoy escort on the Canada route about 600 miles east of Halifax. According to information from Intelligence Center, Spain, Task Force "H" is still in Gibraltar. The aircraft carrier ARK ROYAL may be on her way to Great Britain.

France:

According to information from the Italian Armistice Commission, France has been granted certain patrol zones for submarines off Toulon and Oran for defense against Great Britain. The French measures are to be of a strictly defensive nature and may be directed only against further British attacks.

North Sea/Northern Waters:

British submarines were reported by radio intelligence on the morning of 26 July in the following positions:

West of Gripsholmen, off Stadtlandet, off Kors Fjord, west of Feistein, southwest of Lister. At 0400 another boat was detected by plane west of Lister in grid square AN 3420.

British forces are carrying out exercises in the area east of Kinnaird Head - east of the Orkney Islands. The departure of the German forces from Trondheim on the evening of 25 July was evidently not observed by the British.

Own Situation

Atlantic:

There were no reports from our auxiliary cruisers.

According to a report from New York, the crew of the Norwegian steamer which rescued the survivors of the British steamer DAVISIAN declared that she was sunk by a fast 10,000 ton German auxiliary cruiser named NARVIK. The auxiliary cruiser was said to have been camouflaged as a Swedish merchantman and to carry disguised six-inch guns. Reuter reports a statement by the survivors that DAVISIAN was attacked on 10 July about 240 miles east of Virginia Island, inside the American neutrality zone. The British have thus, for the first time, obtained exact statements from eye witnesses in regard to our auxiliary cruisers, in this case Ship "21". No operations by enemy

26 July 1940

CONFIDENTIAL

forces against Ship "21" have been ascertained.

On 25 July Naval Shore Commander, Devonport (New Zealand) informed the Admiralty, Singapore and Melbourne of a report that radio station DSPU (German steamer) called Italian radio station IOR on 8030 Kilocycles. In all probability, this was Ship "36" communicating with tanker WINNETOU.

The auxiliary cruisers were advised of the information received (see Radiogram 1931 of 27 July).

North Sea/Norway:

Commanding Admiral, Scouting Force with group GNEISENAU reported by ship's plane that at 0700 his position was 50 miles southwest of Stadtlandet, speed 24 knots, no zig-zag, course 180°. Since the Radio Monitoring Service was able to decipher the positions of the British submarines, the Commanding Admiral was able to set his course to avoid the danger areas. Due to the fact that the enemy failed to discover the formation's departure from Trondheim, it was now impossible for him to send out forces in time to contact group GNEISENAU. News of the departure probably did not reach England until about noon, since a reconnaissance formation was then ordered to investigate. The return passage of Commanding Admiral, Scouting Force thus at first proceeded as planned. Five torpedo boats for anti-submarine escort met the formation west of Skudesnes Fjord about 1300.

Commanding Admiral, Scouting Force reported a change of course from grid square 4391 lower edge center to the east in order to approach nearer to the Norwegian coast, evidently due to his observations on the enemy submarine situation (see radiogram 1533). Shortly afterwards, torpedo boat LUCHS was hit by a torpedo and sank 45 miles southwest of Feistein. It remains to be seen what motives led Commanding Admiral, Scouting Force to make this fatal change of course, which was obviously not plotted so as to keep the formation at a safe distance from the position of the enemy submarine west of Feistein reported by radio intelligence. After crossing the Skagerrak, the formation of Commanding Admiral, Scouting Force passed through the barrage gap off Hanstholm and entered the Skagerrak, Kattegat.

The cruiser HIPPER is operating against merchant shipping in northern waters according to plan.

Mine situation in the southern part of the North Sea: In the Ems estuary the German steamer MONTAN struck a mine outside the channel and sank.

26 July 1940

CONFIDENTIAL

Channel:

During the night of 25 July the 1st PT Boat Flotilla made a sweep into the area south of Brighton. The following results were obtained:

S "20" sank a 6-7,000 ton tanker and set one 2,000 ton vessel on fire.

S "19" sank a 10,000 ton steamer; one 15,000 ton steamer capsized in attempting to evade a torpedo.

S "27" sank a 10-12,000 ton steamer. Torpedo boats and patrol boats carried out defense. All the steamers were loaded. All boats returned. A particularly successful action by our PT boats.

The 2nd PT Boat Flotilla carried out a minelaying assignment off Outer Gabbard and laid 18 Polish mines in grid square AN 7932 upper half. The boats returned to Ostend.

Minesweepers M "61", M "89" and M "136" struck mines off the harbor entrance of the Hook of Holland and were lost; minor casualties. The Commander of minesweeper M "61", Lt. Hindersin, is missing. Search continues. It is possible that these may have been our own aerial mines.

Commander, Minesweepers, West reports that, from his assessment of the mine situation in the Dover Strait so far, there are no connected barrages between the two British minefields. In the western minefield there are no really shallow mines; evidently the barrages have been much reduced or lie deeper than six meters.

France:

Commanding Admiral, France was advised of the plan to transfer a base on the French Atlantic coast to the Italian Navy and asked to give his opinion as to the suitability of Bayonne or Bordeaux.

Skagerrak/Kattegat:

Nothing special to report. Strong anti-mine and anti-submarine escort for the returning formation of Commanding Admiral, Scouting Force.

Transport traffic was carried out as planned.

26 July 1940

CONFIDENTIAL

The Danish Navy has posted six lightships in the Langeland Belt, north of Korsøer, in the northern part of the Great Belt and in the southern outlet of the Sound to watch for minelaying from the air.

Sweden has been asked to assist in sweeping aerial mines in Swedish territorial waters.

Submarine Situation

In the Atlantic operational area: U "A" in Central Atlantic, U "34" in the area west of the Hebrides/North Channel; U "59", west of the Shetlands, reports that an aircraft carrier entered Pentland Firth.

U "57" west of the North Channel.

In Lorient: U "30", U "52", U "58"; en route from Lorient to the operational area, U "56", U "99".

In Bergen: U "62".

In view of convoy traffic observed close to the coast west of the Hebrides/Cape Wrath/Portland, U "59" has been posted off Cape Wrath and U "57" off Butt of Lewis.

Submarine Successes:

Brief reports of returned submarines:

U "58", off the Minch and North Channel, 2 vessels of 14,000 tons sunk.

U "34", Atlantic, 7 steamers totaling 26,338 tons and the destroyer WHIRLWIND.

U "56", off Moray Firth and North Channel, several misses, no sinking successes.

U "99", Atlantic-Biscay, 6 ships totaling 33,700 tons and the MERISAR, 2,100 tons.

U "52", North Channel and western outlet of the Channel, 24,700 tons.

(For details, see brief reports, appendix to Part B, Vol. IV.)

26 July 1940

CONFIDENTIAL

Air Situation

See Air Force Events of the Day.

Concerning yesterday's air attack on a convoy, compare British announcement, radiogram 1900.

Harassing raids on port installations and fuel depots were continued with good results. During the night of 25 July the 9th Air Division laid mines off Swansea, Cardiff, Pembroke, Moray Firth, Firth of Forth and Dundee as planned.

Mediterranean

See Situation Mediterranean.

Nothing to report.

Merchant Shipping

After clearing of the mine barrage and raising of the net barrage off Pillau, Information to Shipping (Plan A) announced that Pillau can now be approached and entered as in peacetime.

27 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Our Ambassador in Dublin reports that the Irish Foreign Office is of opinion that Chamberlain, Halifax, Simon, Hoare and conservative circles headed by Astor and Londonderry, as well as high economic officials, would be ready to conclude an early peace on the basis of Germany's successes to date, provided that conditions were acceptable. On the other hand, Churchill and Eden and their circles, now in control, are said to be determined to continue the war under all circumstances.

According to dispatches from Great Britain and America, the British Ministry of Economic Warfare plans to extend the British blockade to the whole continent from the North Sea to the Mediterranean.

France:

According to an Embassy report from Spain, General de Gaulle's followers are becoming fewer and fewer. Most of the French who fled to Great Britain are unwilling to fight for him and wish to return home. In the colonies too, de Gaulle's efforts may be considered a complete failure.

Pan America:

For status of the Havana Conference see Political Survey No. 174.

Germany:

German colonial empire and bases:

As Naval Staff has become aware that various offices are preparing plans for a future German colonial empire, it feels induced to submit to the Foreign Office its demands for bases as resulting from its own estimates. Naval Staff's demands are based on the assumption that, except for the former German colonies of Togoland, the Cameroons and German East Africa, only ex-French and Belgian colonial areas will come under consideration in the establishment of a consolidated German colonial empire in Central Africa (see memorandum of Naval Staff of 27 July in War Diary, file "Colonies and Bases").

27 July 1940

CONFIDENTIAL

Conference on the Situation with Chief, Naval Staff

Special Items:

1. "Seeloewe": Report on results so far of coastal reconnaissance in Southern England of landing places for the first wave of the Army expeditionary corps. The results of investigation will be seen in detail in Naval Staff's letter to Army General Staff (see Skl. Iop 1072/40 of 26 July, File "Seeloewe" Order No. 17).
2. An order has been issued by High Command, Navy to establish Naval Offices, Boulogne (Capt. Fischer), Ostend (Commander Stein), Cherbourg (Commander Lehmann), Le Havre (Capt. Horstmann), and Calais (Capt. Frisius), to begin preparations for transport operation "Seeloewe".

The above-mentioned Naval Offices will be charged with:

1. Requisitioning of transport vessels, tugs, motor boats and lighters in the French area according to directions of Special Duties Chief, Supply and Transport, Paris or orders of High Command, Navy, Naval Staff, Service Division, Transport Branch for operation "Seeloewe".
2. Fitting up of ports for loading and embarkation as required, in cooperation with Port Captains and Port Commanders.
3. Establishment of transport and loading organizations in the ports of shipment.
4. Control of shipment in the loading ports.
5. Liaison with the formations to be transported and with the Navy, Army and Air Force offices insofar as necessitated by this special task (Port Commanders, Naval Communications Officers, Communications Centers, Harbor Control Offices etc.).

Situation 27 July

Special Reports on the Enemy

The current supply situation in Great Britain is the subject of a report from an agent who regards it as generally not unfavorable.

27 July 1940

CONFIDENTIAL

There is a particular shortage of lumber and also of iron, steel and ferrous alloys. So far there is no shortage of crude oil as large stocks were on hand. There is no lack of shipping. On the contrary, with the addition of freighter tonnage from Norway, the Netherlands, Belgium and France, there is a surplus of unused shipping, but tremendous waste of capacity, great difficulties owing to delays and, in some cases, ports are completely congested and repairs and redistribution of supplies stopped. (For details see report in War Diary, Part B, Volume V, page 157.)

Situation Atlantic:

Great Britain: North Atlantic:

There are no new reports on convoys.

According to a special report from Great Britain, the mining of the area between the entrance of the Bristol Channel and the southeast coast of Ireland has not closed these waters to British ships, which can still sail along the coasts and in convoy into the Irish Sea or the Bristol Channel.

Commander, Aircraft Carriers on board ARK ROYAL is again reported to be in the Gibraltar area. On the evening of 26 July he was ordered by the Commander of Task Force "H" to carry out practice attacks on Gibraltar with TSRS and Skuas.

By an Admiralty order of 26 July all merchantmen are instructed to keep additional radio watch on 500 kilocycles for German raiders. From recent attacks it is believed that the enemy aims primarily to destroy the antennae; ships have been ordered to mount auxiliary antennae immediately.

The auxiliary cruisers were informed of this order.

Central and South Atlantic:

Reported in the Freetown base area: cruisers DORSETSHIRE, AUSTRALIA, DELHI, VINDICTIVE, auxiliary cruisers ALCANTARA, BULOLO, MALOJA and gun boat MILFORD. The cruiser DRAGON is probably still in the Duala area. Gun boat BRIDGEWATER is proceeding from Saldanha Bay to Freetown.

In the Cape area radio intelligence again reports the cruisers CUMBERLAND and CANBERRA.

27 July 1940

CONFIDENTIAL

According to a Japanese report, the steamers QUEEN MARY and AQUITANIA with 5,000 British troops, as well as the steamer MAURETANIA entered Simonstown on 19 July and will proceed to Kenya escorted by a heavy cruiser.

French Warships in British hands:

Reuter reports a British Admiralty statement to the effect that the manning of the French warships in Great Britain is progressing satisfactorily. The French ships in British hands are to fly the Tricolor and the British ensign. Ships with entirely French crews are under the command of Admiral Muselier. One of the French warships is reported to have already taken part in operations (?). Various ships will be manned with mixed British and French crews.

North Sea/Northern Waters:

A Norwegian fisherman reported that there was a British destroyer northwest of Hammerfest on 22/23 July. This would confirm information on the Petsamo - Great Britain merchant traffic and its partial escort by light British forces.

(The cruiser HIPPER was advised accordingly by Group West.) However, it is not unlikely that this was a Russian and not a British destroyer.

On 27 July there was lively enemy air reconnaissance activity over the central and northern part of the North Sea, evidently still in an attempt to discover our GNEISENAU group. The destroyer MONTROSE, which was damaged in an air attack, was towed in to Harwich by another destroyer. The tow was escorted by destroyers and minesweepers. Vessels at sea have been warned of mines in the Humber entrance. Rosyth was closed owing to the mine situation.

There were air incursions into the Heligoland Bight and over the German coastal area.

Channel:

Interpretation of aerial photographs (taken over three days) of the Plymouth/Devonport area reveals:

In the harbor basin: Cruiser BELFAST or EDINBURGH, cruiser SOUTHAMPTON, cruiser EXETER, one LONDON class heavy cruiser without central stack, netlayer GUARDIAN, several destroyers.

27 July 1940

CONFIDENTIAL

In dock or in the shipyard: one HAWKINS class cruiser, one heavy cruiser without deck houses, one anti-aircraft cruiser of the CAIRO class heavily damaged on the side behind the bridge.

The following French forces were also in port: the COURBET, 1 large destroyer, 2 destroyers (BOURRASQUE), 2 cruisers and the SURCOUF.

Own Situation

Atlantic:

On 26 July Commander, America-West Indies Station warned merchant shipping of the possibility of fast armed vessels operating off Mona Passage and Sombrero Channel. Identification marks painted gray, Swedish flag. Ships are to be prepared for attack and to keep their guns ready for use. Rifles or other weapons are to be always ready for action.

Ship "21" has been advised of this order.

The Atlantic ships have been informed of changes in the enemy situation.

Norway:

The HIPPER is on operations against merchant shipping in northern waters. The 5th Air Force has transferred three planes of the 506th Coastal Patrol Group to Tromsø to support her operations.

The torpedo boat LEOPARD (ex-Norwegian) and minelayer GLOMMEN were commissioned at Horten.

North Sea:

The report on the loss of the torpedo boat LUCHS states that the boat was torpedoed while acting as port anti-submarine escort. She immediately broke up and sank. Only 53 men were rescued, including the Commander.

At 1530, two enemy planes approached Wilhelmshaven unobserved under cloud cover. Bombs were dropped 200 to 300 m. from the battleship TIRPITZ. Only minor damage. Repeated recent attempts are evidence

27 July 1940

CONFIDENTIAL

of a definite intention to attack the TIRPITZ. The raids are executed boldly and with remarkable knowledge of the site. North Sea Station again requests barrage balloons.

During the night of 27 July there were numerous air incursions over the North Sea coastal area. Minelaying is suspected.

Channel:

During the night of 26 July two boats of the 2nd PT Boat Flotilla carried out a minelaying assignment.

Mine situation: a ground mine was swept $\frac{1}{2}$ mile outside the mole head of the Hook of Holland.

In view of the difficult combat conditions close to the British coast, the 3rd Air Force asked on 14 July for mines to be laid along the British south coast close inshore (focal point between Portsmouth and Start Point), in order to force enemy merchant traffic out to sea and facilitate air attack. In view of the extension of the area for our own transport movements during operation "Seelowe", Naval Staff did not grant permission for this minelaying.

A further investigation of the question, taking into consideration the newest views regarding landing places on the British south coast, leads to the conclusion that the use of mines for this purpose in the area south of St. Catherine Point (Isle of Wight) would be possible and promising. The use of moored mines and anti-sweeping devices by PT boats may be considered.

It is to be assumed that the British sea routes in this area run close to the south of the Isle of Wight. It is true that the purpose of the mining as desired by the 3rd Air Force along the south coast will not be fully met. However, any mining off the British south coast will disrupt British sea communications and create some insecurity for the enemy in all his inshore waters, which may obstruct him regarding his own security measures by minelaying.

Group West has been instructed accordingly.

France:

During the night of 26 July repeated bombing attacks were made on St. Nazaire and Donges. Heavy material damage. Two heavy-oil tanks were hit by splinters and drained. Increased protection for

27 July 1940

CONFIDENTIAL

the tank installations in Donges is necessary. (See report from Commanding Admiral, France, 2230.)

Skagerrak/Kattegat:

The formation of Commanding Admiral, Scouting Force (GNEISENAU group) proceeded through the Skagerrak and Kattegat. A mine alarm was sounded in the barrage gap east of Skagen. After three hours investigation and firing at drifting mines the group proceeded. From Anholt there was an anti-ground mine escort.

Transport traffic to Norway according to plan (see radiogram 1504).

There were air incursions over Jutland into the Kattegat and over the Great Belt. Minelaying is suspected.

Submarine Situation

In the operational area: U "A", U "34", U "56", U "57", U "59", U "99".

In Lorient: U "30", U "52", U "58".

Submarine Successes:

Early on 28 July the steamer AUCKLAND STAR (11,400 G.R.T.) was torpedoed approximately 80 miles southwest of Ireland (Radio Monitoring Service).

The brief report of submarine U "61" announces the sinking of approximately 18,000 tons; the boat was operating in the Pentland Firth and off the North Channel.

Order for Submarines:

For conduct of war against French merchant shipping:

- A. French warships are marked with three colored stripes, blue, white and red, on gun shields or turrets; with submarines, on the conning tower. French warships are to be considered neutral and are to be expected only in the vicinity of their home and colonial coasts. If otherwise, radio advice will be issued.

27 July 1940

CONFIDENTIAL

- B. French merchantmen are still to be treated as enemy except for coastal traffic.
- C. Contraband regulations are again to be enforced against neutral ships with cargo for unoccupied France and French possessions.

For Naval Staff's answer to the Italian Naval Staff on the matters raised in the Italian memorandum, see War Diary Volume "Italian Warfare". In it, Naval Staff agrees with the decision to send Italian submarines into the Atlantic and consents to establishment of an Italian submarine base on the west coast of France.

Air Situation

See Air Force Events of the Day.

There were successful attacks on convoys off the southeast coast and on Dover harbor. In and near Dover, two destroyers and two steamers were sunk. (The endurance of the British destroyers is remarkable; one of the destroyers sank only after being hit by one 500 kg. and six 250 kg. bombs.)

Enemy flights reveal a definite concentration of attack on the Dortmund-Ems Canal.

Mediterranean

On 26 July there was a successful air raid on Gibraltar. Otherwise nothing to report.

The Naval Attaché in Rome has conveyed the Italian Navy's consent to Germany's demand for delivery of French mines in the Mediterranean theater.

28 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

Radio London asserts that the German attack on Great Britain has been fixed for the middle of August.

In the press, Lloyd George pronounced himself against an immediate understanding and declared: "Peace discussions will not be possible until a German attack has been repulsed. Great Britain stands alone but she has a superior Fleet and a strong Air Force and the protection of being an island. Not until Great Britain has proved this combination to be invincible can she speak about peace conditions."

It is not unlikely that this opinion conforms with the plan of some sections of the Government, which may perhaps reason as follows:

Hold out. Withstand the German air raids. Repulse a landing with every means. Hang on until the fogs set in, when an invasion will be unlikely. If we succeed in hanging on for the next few months, there will be every hope that an invasion can be prevented until spring 1941. At that time, America may be expected to enter the war. Then we may be able to make our defenses so strong that invasion is impossible, while, moreover, greater offensive thrusts against Germany would be possible. It would hardly be possible to force Germany to her knees but there would then at least be a basis for more favorable peace terms than if Great Britain should show an inclination towards peace at this time.

France:

The French Government registered a sharp protest in London against the dropping of leaflets on Vichy by the Royal Air Force.

Finland:

Rumors of a Russian ultimatum to Finland are unfounded according to the Foreign Office. However Molotov has handed to the Finnish Ambassador the final draft of the treaty on the Aaland Islands, containing the undertaking that, besides demilitarizing them, Finland also may not cede the islands to a third power. Furthermore, Molotov has referred pointedly and with disapproval to the anti-Russian attitude of Finnish public opinion and of certain Government circles. Without doubt Russia's efforts are directed towards

28 July 1940

CONFIDENTIAL

establishment in Finland of a Government which would later facilitate coordination with Russia.

Situation 28 July

Special Reports on the Enemy

Atlantic:

Great Britain:

North Atlantic: Air reconnaissance reported no shipping in the declared area between Ireland and Cornwall.

The old battleship REVENGE and the cruiser EMERALD received a submarine warning report 550 miles west of the Hebrides (U "34"). The ships are thus on escort duties on the north Atlantic route.

The aircraft carrier ARK ROYAL, cruiser ENTERPRISE and four destroyers are at sea off Gibraltar carrying out attack exercises.

South Atlantic:

The master of a Spanish steamer reports a British minefield off Freetown from 08° 31' to 08° 34' N. and 13° 15' to 13° 30' W.

France:

Indian Ocean: The British cruiser KENT captured the armed French steamer CARAIBE (presumably in the area of Madagascar).

The French radio stations at Diego Suarez and Beirut have been forbidden to transmit on any wave band due to violation of the Armistice terms.

Neutrals:

The U.S. transport AMERICAN LEGION will arrive at Petsamo about 6 Aug. to fetch American citizens. The HIPPER has been informed.

North Sea/Northern Waters/Channel:

Shortly after midnight on 27 July Commander in Chief, Home Fleet

28 July 1940

CONFIDENTIAL

signaled Commander, 1st Cruiser Squadron that he had no knowledge of enemy forces being at sea. This shows that the enemy in fact had not detected the movements of the GNEISENAU group. The search yielded no result. On 28 July the 1st Cruiser Squadron was ordered to assemble at 1900 at 62° N 2° E. Evidently even the British submarine which torpedoed the LUCHS did not sight the whole formation of Commanding Admiral, Scouting Force and therefore submitted no reconnaissance report thereon.

According to a report from the gun boat ROCHESTER, a convoy sailed via Kinnaird Head through Pentland Firth during the night of 28 July.

A sweep by German PT boats in the Channel is mentioned in some British operational radiograms.

Own Situation

Atlantic:

Nothing to report. No report from the auxiliary cruisers.

North Sea/Northern Waters:

The HIPPER is in northern waters on operations against merchant shipping, supported by air reconnaissance from Tromsø. She was informed on merchant traffic from Petsamo by Group West. The supply ship DITHMARSCHEN is west of Bear Island.

Transportation of batteries to Kirkenes and return of Ship "47" from Narvik to Trondheim according to plan.

One or two vessels of the 4th Submarine-Chase Group are permanently on patrol of Gripsholmen.

Channel:

Exploratory sweeps and check sweeps by motor minesweeper flotillas as planned. There are no reports yet on the thrusts by the PT boat flotillas.

Air reconnaissance from Brest over the Bay of Biscay yielded no results. Nine Do 17 planes of the 606th Group transferred to Brest.

28 July 1940

CONFIDENTIAL

Some days ago Armed Forces High Command called attention to the fact that all sea cables from Great Britain to the Empire start at Porthcurne (southwestern tip of England) and that elimination of the entire overseas communication traffic would be a particularly crippling blow to Great Britain. The possibility of stopping or destroying this network has been examined by Operations Division, Naval Staff which reports as follows:

13 cables go out from Porthcurne, southeast of Land's End, and six from Sennen Cove, north of Land's End (the latter belong to the United States).

Cutting of the cables at sea by a special craft would be difficult on account of enemy patrols and would probably call forth immediate British counter-measures as soon as the first cables were destroyed, thus complicating or preventing any further measures by us. It is believed that bombing raids on the cable-station buildings would be a better method of causing damage. Certain destruction of the really essential technical plants could, however, hardly be achieved by this means.

Total destruction of both cable-stations by means of surprise landings of shock troops with technical personnel should be considered.

Details of the forces and vessels to be used and the timing etc. of such an operation could not be fixed until detailed information on the present situation regarding patrol and any coastal defenses etc. at the cable-stations had been obtained. It is therefore proposed that Armed Forces High Command should order an immediate and thorough air and photographic reconnaissance to be made of the area around Land's End up to about Penzance, on the results of which this operation could be prepared.

Baltic Sea:

On 28 July the formation of Commanding Admiral, Scouting Force, with the GNEISENAU, NUERNBERG and four destroyers, entered Kiel. The destroyers will pass through the Kiel Cannal to the west and the NUERNBERG will proceed to Danzig dockyard for minor repairs.

The fast troop transports are running to schedule. Anti-submarine patrol and mine checks in the Skagerrak and Kattegat without special incident.

28 July 1940

CONFIDENTIAL

During the night of 28 July there were enemy flights over the Kattegat, Great Belt and Western Baltic. Ground mines are suspected in Fredrikshavn, the Laesoe Channel, Great Belt, Gjedser and Kiel Canal.

Submarine Situation

Submarines: U "A" reports having taken on supplies from Ship "33"; this had been planned for 18 July. The exact time of the supply operation is not given in U "A"'s report.

U "62" reports sinking a 6,000 ton steamer off the North Channel. The boat is returning from Bergen to Wilhelmshaven.

U "34" (Lieut. Rollmann) reports sinking 42,000 G.R.T. from an outbound convoy, including an 18,000 ton auxiliary cruiser, and also sinking another 6,000 ton steamer. This boat only left Lorient on 23 July. These successes in only five days confirm the value of Lorient as a base for submarine warfare. U "34" is returning to Wilhelmshaven.

Submarines have been advised that, according to information from the French Armistice Commission, three more French steamers carrying French troops left Great Britain for Marseilles between 22 and 24 July. The steamers are not to be attacked if they are recognized.

According to a British report the British steamer AUCKLAND STAR (11,400 tons) was torpedoed on 28 July at 52° 17' N, 12° 34' W.

War against Merchant Shipping

A new edition of the "Regulations for Conduct of War against Merchant Shipping", containing all recent changes and special orders, will be issued to subordinate commanders and Admirals. (See Naval Staff's directive Iia 8447/40 Gkdos. of 27 July 1940, in War Diary, Part B, Volume V, page 101.)

28 July 1940

CONFIDENTIAL

Air Situation

See Air Force Events of the Day.

Attacks were canceled owing to bad weather.

In regard to the planned aerial minelaying operations, only two reports, of six mines dropped in the River Thames and two off Harwich, have been received.

Extensive enemy air activity. Focal point around Hamburg; penetrations as far as Wismar.

Mediterranean

On 27 July, according to an Italian report, a British formation consisting of the battleships WARSPITE, MALAYA, ROYAL SOVEREIGN and RAMILLIES, aircraft carrier EAGLE and eleven destroyers, was attacked twice by the Italian Air Force north of Mersa Matruh. Results unknown. In the Aegean Sea merchant traffic with weak escort was reported and bombed; one steamer damaged. Another bombing attack was made on Alexandria.

Merchant Shipping

Armed Forces High Command has lifted the ban on traffic to Dutch ports for German, Dutch, Swedish and Norwegian ships.

Items of Political ImportanceGreat Britain:

There is growing disquiet and nervousness on the non-materialization of the anticipated large-scale German attack. At every opportunity Churchill underlines Britain's determination to carry the fight through to victory. The Home Guard is being built up speedily to strengthen defense. Fear of invasion and considerations on defense are evinced in grotesque forms of propaganda.

Spain:

Italian sources mention the possibility of Spain's early entry into the war on the side of the Axis.

Norway:

According to the Swedish press, King Haakon again informed the Storting on 20 July that he refuses to abdicate. It would be wrong of Norway to come to terms with the German Government; as for economic benefits, Norway could expect nothing from Germany.

India:

The All-India Congress has accepted a decision to support Great Britain's war efforts provided that Great Britain convene a provisional National Assembly as a first step towards India's full independence.

This proposal is hardly likely to make an impression on the British with their traditional policy of obstruction.

United States:

For report on the Havana Conference, see Political Survey. At the proposal of Argentina, the Falkland Islands are to be excluded from the Havana Agreement and are not to be regarded as a colony; right of their possession would be decided by all the Pan American States.

Conference on the Situation with Chief, Naval StaffSpecial Items:

1. Report by Chief, Service Division on the question of personnel for operation "Seeloewe". Bureau of Naval Administration considers strong measures to be necessary; 25,000 men are required, of which the Navy can at most provide 4,000. If the remainder can not be found by the Army and the civilian sector of the merchant marine etc. the following measures are suggested:
 - a. The SCHLESWIG-HOLSTEIN to be decommissioned.
 - b. Assembly of crews for the TIRPITZ, LEIPZIG and three new destroyers to be abandoned.
 - c. Activities of Inspectorates, Schools and shore commands to be largely suspended.
 - d. Great reduction of personnel scheduled for coastal defense flotillas in Norway.
 - e. Reduction of the battery crews for Norway.
 - f. Possible reduction of crews of the battleships SCHARNHORST and GNEISENAU, now in dockyard.
2. Colonel von Witzleben and Captain von Plehwe will be assigned as General Staff's liaison officers to Naval Staff for preparation of operation "Seeloewe".
3. For execution of operation "Seeloewe" Army General Staff makes the following demands:
 - a. Transfer of thirteen divisions of landing troops. In view of the assignments to be carried out this is considered the lowest possible strength, which on no account, even for transport reasons, can be dispensed with.
 - b. The above-mentioned thirteen divisions have to land on the British coast along a very broad front (from Ramsgate to Lyme Bay), which means that they must leave the French coast at approximately the same time and, if possible, on a very broad front.
 - c. The landing divisions must be ready for action on the island

with the utmost speed, that is to say at least within two to three days. From the Army's point of view a crossing period of ten days is out of the question.

- d. Heavy artillery (for own use and to be mounted along the British coast) and anti-aircraft guns (for air raid protection and anti-tank defense) must be detailed in suitable number to the landing divisions. For this too, therefore, sufficient tonnage must be provided.

The particular difficulties of operation "Seeloewe" resulting from the Army's demands and as shown in thorough studies of the transport problem, are now being set out in a short memorandum by Operations Division, Naval Staff. (See 30 July.)

Situation 29 July

Special Reports on the Enemy

Atlantic:

Great Britain: North Atlantic:

Radio intelligence picked up various reports on convoy movements. Diversion of steamers to Holyhead has been observed.

On account of mines, Portsmouth harbor was declared temporarily closed. Later it was reported that the harbor of Edinburgh was also closed, owing to mines, on 27 July.

Central Atlantic:

No special observations on 28 July. The following ships were again reported in the Freetown area: cruisers DORSETSHIRE, DELHI, VINDICTIVE, auxiliary cruisers ALCANTARA and BULOLO, gun boats MILFORD, BRIDGEWATER.

In the Duala area: cruiser DRAGON.

In the North Atlantic:

The CUMBERLAND and CANBERRA in the Cape area.

29 July 1940

CONFIDENTIAL

Indian Ocean:

The Naval Attaché, Tokyo, reports that British ships returning home call at Colombo to assemble in convoys and from there proceed to Capetown. Some of the British ships again bear their original color and nameplate. The report has been passed to the Atlantic ships.

France:

On 29 July the French torpedo boats EPEE and LE HARDI left Casablanca for Dakar. The submarine BEVEZIERS left Dakar for Duala to attack British naval forces (cruiser DRAGON). Submarine U "A" was ordered not to obstruct the forces.

North Sea/Northern Waters:

There are no reports on the enemy from northern waters. Besides the Scapa forces which were reported at sea during the last few days (Commander, Battle-Cruiser Squadron, Commander, 1st Cruiser Squadron) the cruisers YORK, SUSSEX and SHEFFIELD have been observed at sea. On 29 July part of the squadrons returned to Scapa.

Several convoys, some bound north and some south, were observed by air reconnaissance in the Thames and off the east coast of Great Britain. The convoys comprised 20-40 ships and were escorted by destroyers and auxiliary warships.

According to radio intelligence reports, the following number of destroyers are at present operating in home waters, a number of them being continually in dock:

In the Scapa area: 23 destroyers.

Off the east and southeast coast: 42 destroyers.

In the Channel area and the Irish Sea: 19 destroyers.

On escort duty off the Western Approaches: 21 destroyers.

Not heard of for some time: 18 destroyers.

Taking losses, repairs and overhauls into account, figures must be considered very low.

The Admiralty has admitted the loss of the destroyer WREN.

29 July 1940

CONFIDENTIAL

Own Situation .

Foreign Waters:

Atlantic:

Ship "21" reports supplies taken on from the RECUM. She will shift her operational area into the area of the Azores. She has been advised of the pending operations by Italian submarines between 31° 30' N and 40° N to 30° W.

Supply ship RECUM has probably been released as planned by Ship "21" for passage into the South Atlantic to supply Ship "10". The RECUM may be in supply grid square GE on about 15-20 Aug.

Norway:

Air reconnaissance for the HIPPER operation in the North Cape area detected only small Norwegian and Russian vessels close to the coast.

Commanding Admiral, Norway will shortly send out three vessels of the Special Groups (Ships "7", "18", "47") into the North Cape area for control of and operations against merchant shipping.

North Sea:

Nothing to report. There were numerous enemy air incursions during the night and single flights during the day. Bombs were dropped in the Hamburg port area; no serious damage.

Channel/West Coast of France:

The 1st PT Boat Flotilla encountered enemy patrols and destroyers during a sweep on the night of 28 July. No results.

The 2nd PT Boat Flotilla carried out a minelaying operation in grid square 7695 lower right (east of South Foreland).

In the course of air reconnaissance by the forces of Commander, Naval Air, West from Brest over the Orkneys and western outlet of the Channel, a Do 18 landed 200 miles west of Brest to check Spanish trawlers.

Group West has asked for at least one squadron of the 606th Coastal Patrol Group to be transferred to Brest since that is the only point from which Atlantic operations are possible owing to range.

29 July 1940

CONFIDENTIAL

Skagerrak/Kattegat/Western Baltic:

Transport traffic, mine check and air patrol carried out as scheduled and without incident. During the night of 29 July there were enemy air incursions over Schleswig Holstein and Denmark. Mines were probably dropped over the Great Belt, off Gjedser and in the Drogden.

Submarine Situation

At present there are six submarines in position or approaching the Atlantic operational area (U "A", U "52", U "56", U "57", U "59", U "99"). U "58" put out from Lorient. U "99" was unsuccessfully attacked by a submarine 80 miles west of Ireland. The boat reports sinking 18,736 G.R.T. U "57" and U "59" will be transferred to the North Channel if they have not yet encountered any traffic. U "56" was ordered to take up position off Fastnet; if no traffic is encountered, she too is to proceed to the North Channel.

Commanding Admiral, Submarines points out that, in view of the large numbers of planes being shipped from Canada and the United States, it is more important to sink incoming ships than outgoing ones.

Mediterranean

See Situation Mediterranean.

There is nothing to report except Italian bombing raids on the British battleship formation off Crete on 28/29 July.

The Italians report that they have lost thirteen submarines to date. This is attributed to the surprisingly good British anti-submarine defense (Asdic) and their very good air patrol, which constitutes a serious threat to submarines in view of the extraordinary clearness of the water in the Mediterranean (enables a plane to spot submarines up to a depth of 40 m.)

Naval Staff cannot comprehend why the Italian submarine force has

29 July 1940

CONFIDENTIAL

apparently failed to calculate on strong British anti-submarine measures and high standard of defense weapons, which were indicated in reports received. Naval Staff has for a long time repeatedly pointed out to the Italian Navy, via the Italian Naval Attache, Captain Pecori, and also the German Attaché in Rome, the important improvements in modern anti-submarine measures and the difficulties which our submarines constantly have to face.

Air Situation

See Air Force Events of the Day.

Further attacks on the harbor, and forces at Dover caused heavy damage to merchant ships in port there. Fifteen enemy planes were shot down in aerial combat; three of our own planes were lost. One cruiser (or destroyer) was seriously damaged by bombing southwest of Portland. PT boats were sent out to finish her off.

The 9th Air Division laid mines in large numbers off British ports (including Swansea, Cardiff, Plymouth, Humber, Thames, Blyth, Hartlepool).

30 July 1940

CONFIDENTIAL

Items of Political Importance

Great Britain:

The British Government has ruled that the Navicert system is to be applied to all goods shipped by sea and bound for any European ports, certain Atlantic islands and certain neutral ports in North Africa. Furthermore, the Government has announced its decision to regard the whole of France as well as Algeria, Tunisia and French Morocco as enemy-controlled areas for purposes of contraband control and enemy exports (see also War Diary, Part C, Volume VIII and announcement by the British Minister of Economic Warfare in War Diary, Part C, Volume XII).

France:

The French Government is very dubious as to Germany's further political plans. It is feared that Germany favors the formation of a new Government in Paris by which it is hoped to win over French public opinion and eliminate the Government in Vichy. Our Ambassador in Spain considers the authority of the Pétain Government in North Africa extremely precarious.

With regard to the treatment of French warships found in the occupied area, the Fuehrer has decided that the following will be treated as war booty:

Warships under construction,

Warships under repair and

Warships found destroyed or sunk, if lying in conquered area.

Naval Staff is of the opinion that new warship constructions to be considered as war booty can be completed in French dockyards.

Armed Forces High Command will be advised of this view and requested to confirm it.

Pan America:

The Pan American Havana Conference has been concluded. A committee was formed consisting of representatives of the United States, Brazil, Venezuela, Ecuador, Panama and the Dominican Republic, which is to decide on immediate action to be taken in case transfer of European possessions in America to other powers should be threatened. The agreement provides that the American nations may take independent or joint action if their integrity should be

30 July 1940

CONFIDENTIAL

endangered by the transfer of a European colony and immediate action therefore become necessary. The committee is to be informed immediately of any action taken in order that measures may be coordinated.

The general impression gained from the conference is that the United States, which even at the last conference in 1939 were unable to get most of their motions passed, have this time come much nearer to their political aims (influence upon the other American States).

It may be assumed that the result of the conference will improve Roosevelt's election chances.

Conference on the Situation with Chief, Naval Staff

Special Items:

Operation "Seeloewe":

Report on the status of preparation at 1200 on 30 July (see memorandum in file "Seeloewe" Order No. 18).

The detailed statement on the preparations for Operation "Seeloewe" cannot give a clear picture until the still possible and probable stumbling blocks to further progress in preparations and the enemy's possibilities for taking countermeasures, especially during the last and most important period, have been computed. The first mentioned difficulties will arise chiefly in regard to obtaining shipping and repercussions on economy and as regards personnel, while the enemy situation will strongly affect the assembly of the transport fleet in the ports of departure and our operational preparations. The uncertainty in regard to these factors makes it necessary to state that, from the standpoint of operational, material and personnel preparations by the Navy, execution of the operation will be possible at the earliest on 15 Sept.

Even this date is only an estimate, since the date on which air supremacy will be achieved cannot be exactly predicted.

Following the report on the status of preliminary work, Chief, Naval Staff was informed by Operations Division of its views on the execution of operation "Seeloewe", which once again set out the

30 July 1940

CONFIDENTIAL

difficulties revealed by thorough study of the transport assignment. (For memorandum see file "Seeloewe" Order No. 19.)

Naval Staff's investigations have included a complete exposition of the military requirements and the complications resulting from weather conditions, tides, transport operations and enemy action and, especially, from the Army's demand for a landing on a broad front, and have led to the following conclusions:

1. Nautical factors (landing two hours after high tide, dawn, some light from half-moon) restrict execution to only a few days in each month.
2. The first suitable period for carrying out the operation after attaining the highest possible state of preparedness in transport and operational measures would be at the end of Sept., that is to say, in a period when, from the meteorological standpoint, a long period of suitable weather is not to be expected.

Even if the first wave were successfully taken across in a spell of good weather, such conditions could not be counted on for the crossing of subsequent waves in view of the lapse of time between them.

3. In anticipation of the determined action readiness to be expected from the enemy, full account must be taken of the enemy Fleet and sea defenses. Enemy penetration of the extensive transport area in question (Ramsgate - Lyme Bay) cannot be effectively prevented even with flanking barrages and air supremacy, in view of the weakness of our own forces at sea.
4. The number of transports available necessitates a minimum interval of 48 hours between the first and second waves. It would be at least 8 or 10 days before the second wave has been transferred.

The situation in regard to availability of transports spreads the whole operation for transportation of Army forces over several weeks. Even if some ports could be used after a while, a continuous period of good weather up to that time cannot be counted on at the end of Sept. and beginning of Oct.

5. For the reasons mentioned in the memorandum, Operations Division is compelled to advise against execution of the operation this year and recommends that preparations be continued in case unrestricted aerial warfare, together with naval measures, should fail to persuade the enemy to negotiate. The operation could

30 July 1940

CONFIDENTIAL

then, perhaps, be carried out after May 1941.

Chief, Naval Staff concurs fully with the memorandum and will personally report its main findings to the Fuehrer. In view of the results of preparatory work so far and Naval Staff's considerations, Chief, Naval Staff rejects as hopeless the idea of a landing in Great Britain on a broad front from Ramsgate to Lyme Bay, as requested by the Army. Under certain conditions he considers the only possible way in which operation "Seeloewe" could be carried out would be by restricting the transport operation to the narrow front on the Strait of Dover. A report will be made to the Fuehrer.

Situation 30 July

Special Reports on the Enemy

Great Britain: Atlantic:

North Atlantic:

Auxiliary cruisers CHESHIRE and CELICIA, south of the Hebrides, received an unusual number of radio messages, some of them long (probably to do with the defense of important convoys).

The despatch is reported of fifteen motor boats from the United States to Great Britain, probably to be used as motor torpedo boats.

Central Atlantic:

In the Freetown area heavy and urgent radio traffic has been observed during the last few days to warships operating in the vicinity, especially the cruisers DORSETSHIRE, VINDICTIVE, DELHI, DRAGON and the gun boat MILFORD. This radio traffic is evidently connected with the appearance of our auxiliary cruisers in the Central and South Atlantic. Operational forces may have been sent out but this is not yet definitely known.

South Atlantic:

Radio intelligence detected the auxiliary cruiser ALCANTARA (formerly in the Freetown area) and the cruiser HAWKINS in the Falklands area.

30 July 1940

CONFIDENTIAL

Indian Ocean:

The cruiser KENT is presumably en route to Alexandria.

In the East Indies area the following vessels were again detected: cruisers COLOMBO and HOBART, five auxiliary cruisers (ANTENOR, CHATKY, CARTHAGE, RANCHI, HECTOR) and several destroyers.

Singapore Area: cruiser DAUNTLESS and one auxiliary cruiser (MORRETON BAY).

New Zealand Area: cruiser ACHILLES.

North Sea/Northern Waters:

No special enemy movements. The cruiser AUSTRALIA is reported in the Scapa area (previously suspected to be in the Africa area).

Great minesweeping activity was observed on the southeast coast, especially in the Harwich area. Shipping has been warned of mines. Several minesweeping trawlers were damaged.

Losses: Naval trawler STAUNTON (283 tons) sunk by a mine, auxiliary yacht GULZAR sunk by bombs.

France:

General Catroux was relieved of his post as Governor General of Indo-China and will return to France on board a neutral ship.

Own Situation

Foreign Waters:

Atlantic:

On the morning of 29 July the Admiralty advised ships in the West Indies and South American areas of the latest sighting of the German raider at 1930 (G.M.T.) on 28 July at 24° 10' S 31° 50' W, course 180°, speed 15 knots. All merchantmen have been called on to make immediate radio report of any sighting.

The auxiliary cruisers in the Atlantic have been advised of this

30 July 1940

CONFIDENTIAL

sighting report. It refers to Ship "10" although the enemy obviously thinks that it is the same auxiliary cruiser that appeared in the West Indies area about two weeks ago (Ship "21").

This assumption is evident from a description of the raider issued by the Admiralty on the evening of 29 July: "Approximately 8,000 tons, speed 19 knots, hull very dark with raked bow having a pronounced bulge, a straight stack painted dark with the bridge immediately forward. Two high, heavy, upright derricks with clearly visible cross bars and short topmasts which are particularly noticeable." (Ship "10" is 3,800 tons, speed 18 knots, Ship "21" 7,800 tons, speed 14.8 knots.)

The auxiliary cruisers were advised of the British Admiralty's warnings and the movements of enemy forces (see radiograms 1701, 1914, 2400). The tanker RECUM received a message that Naval Staff expects her to arrive in the waiting area in large grid square GE approximately between 16 and 20 Aug.

Norway:

The presence of the HIPPER and DITHMARSCHEN in northern waters is still not known to the enemy. Air reconnaissance sent out in support of operations against merchant shipping sighted only one Norwegian steamer north of Tromsøe.

Transport traffic between Trondheim and Narvik was carried out as planned.

Off Egersund submarine U "62" was fired on by an enemy submarine without success.

The vessels of the 1st Patrol Boat Flotilla will be withdrawn one at a time for installation of magnet gear. (See teletype 2334.)

North Sea:

Numerous flights by British planes in several waves over the Heligoland Bight, East Frisia, and the areas of Wilhelmshaven - Oldenburg and Schleswig Holstein. Some flew at low level and minelaying is suspected. Anti-aircraft guns were in action several times. One plane was seen to crash. Fifteen bombs were dropped; slight damage.

Channel/Atlantic Coast:

During the night of 29 July, the 1st PT Boat Flotilla went out to attack the warship reported by the Air Force to be heavily damaged. Shortly before they reached the target, the burning ship sank with a large explosion. The crew had presumably already been rescued. Name and type of ship is not known.

Air Reconnaissance:

Four Do 17 planes reconnoitered the area southwest of Ireland up to 13° W. British destroyers were bombed without success.

Three Do 17 planes reconnoitered the Bay of Biscay up to 11° W.

A Greek steamer was sighted drifting without crew 150 miles south of Brest.

Admiral, Western France reports four large merchantmen 20 miles from the coast off St. Jean de Luz. These might be British ships or ships bound for Great Britain. Action against this type of traffic has been arranged.

Naval Staff has ordered the transfer of 100 EMD mines to Boulogne for minelaying operations by PT boats (100 m. mooring rope, 15 m. lower antenna, time setting). The time setting device should make it possible for the mines to be laid without obstructing our future plans, in order to add to the effect of bombs, torpedoes and artillery for the purpose of eliminating British use of the Channel.

Skagerrak/Kattegat/Western Baltic:

A submarine reported by a transport plane was bombed east of Laeso (that is, south of the anti-submarine barrage). A large oil patch was reportedly seen after the bombing. Submarine chase has been started. (The presence of a submarine in the Kattegat is considered by Naval Staff to be unlikely.)

West of Hanstholm minesweeper M "2" sighted a periscope and dropped depth charges. A high air column and pieces of wreckage indicate that a submarine was destroyed.

Air reconnaissance, transport traffic, minesweeping and patrols were carried out as scheduled.

30 July 1940

CONFIDENTIAL

There were enemy air incursions as far as the areas of Copenhagen - Great Belt and Luebeck Bay; no minelaying was observed.

Submarine Situation

In the Atlantic operational area:

Off Freetown: U "A".

West of Ireland: U "52", U "99".

Off the North Channel: U "57", U "59".

Off Fastnet: U "56".

En route from Lorient to the operational area: U "58".

Return passage west of the Hebrides: U "34".

In Lorient: U "30".

Nothing special to report.

Air Situation

See Air Force Events of the Day.

A subsequent report was received from the 5th Air Force on a torpedo attack made on 28 July on a 5,000 ton steamer from a large convoy. The result was not observed.

During the night of 29 July the 9th Air Division laid mines off Cardiff, Swansea, Lanelly, Pembroke, Fowey, Falmouth, Penzance, Harwich, Blyth, Humber, Thames and Plymouth.

Successful harassing attacks were made during the night on large fuel installations, aircraft factories and harbor facilities.

For planned use of crash vessels, see teletype 1821.

30 July 1940

CONFIDENTIAL

Mediterranean

On 29 July air reconnaissance over Malta revealed 1 monitor, 1 destroyer, 2 submarines and small vessels.

The British Alexandria Squadron consisting of 3 battleships, 1 aircraft carrier and 8 other vessels was located 50 miles south of Crete. In air raids the aircraft carrier was hit. Fires were observed. (For details see "Situation Mediterranean" 31 July.)

Naval Staff has offered the Italians the choice of the ports of Pauillac, Rochefort or Bordeaux as a base for their Atlantic submarines. Admiral Parona (Group Commander for Atlantic Submarines) with a commission will inspect these ports, together with Rear Admiral Weichold as soon as possible.

Items of Political ImportanceGreat Britain:

Anglo-Japanese relations have become strained following the arrest of leading members of the British colony in Japan, including the British Reuter correspondent, because of alleged espionage. The official Japanese statement is very sharply worded and speaks of a widespread British espionage organization covering all Japan. In the House of Commons Lord Halifax has described the situation as serious.

France:

In a broadcast General de Gaulle bitterly opposed the extension of the Armistice conditions to the French colonial empire. Referring to the great economic difficulties that the French colonies would suffer on account of the blockade, he appealed to all colonial officials to refuse to carry out the Armistice conditions and to join Britain.

U.S.A.:

For contents of the Havana agreement, see Foreign Press.

Chief, Naval Staff flew to Berchtesgaden for discussions with the Fuehrer at the Berghof.

Besides Chief, Armed Forces High Command and General Jodl, Commander in Chief, Army and Chief, Army General Staff will take part in the discussions. For details see notes of Chief, Naval Staff in War Diary, Part C, Volume VII.

In his report Chief, Naval Staff gave a survey of the status of preparations for operation "Seelowe". He again referred to the operation's repercussions on German economy. In regard to execution of the operation, Chief, Naval Staff explained the demands to be put forward by the Navy resulting from the need to consider weather conditions, tides, time of execution and type of transport fleet. He thoroughly explained to the Fuehrer the difficulties which have emerged during Naval Staff's preparatory studies in regard to the transport problem and the landing itself and particularly stressed the unusual difficulties arising for transportation if the Army's request for "a landing on a broad front" is fulfilled. Chief, Naval Staff contended that the

31 July 1940

CONFIDENTIAL

crossing could only succeed if it were restricted to the area of the Dover Strait as this is the only route that could be adequately defended by artillery, mines and available naval forces, as well as by concentration of air attack. He therefore proposed that execution of the operation be prepared on the narrow front, the Army and Navy cooperating. As to the date for the operation, Chief, Naval Staff advised postponement to May 1941.

The Fuehrer fully acknowledged the difficulties described by Chief, Naval Staff. He plans to reach a final decision only after all-out attacks on Great Britain of at least eight days' duration have been made by the Air Force. Execution of operation "Seelowe" in the autumn of 1940 would only be considered if the results of the air raids were such as to portend a successful landing operation. If the Air Force should be unable to deal the Royal Air Force and ports and naval forces of the enemy a decisive blow, the operation might have to be postponed until May 1941.

In the course of further discussions, the Fuehrer approved the start of the extended submarine program (increased requirements of steel and metals and making up labor shortage).

For details see notes of Chief, Naval Staff.

Situation 31 July

Special Reports on the Enemy:

Great Britain: North Atlantic:

Radio intelligence confirms busy convoy activities in the area west of the Hebrides and the North Channel. Radio messages refer to the departure of convoy HX 61 from Halifax on 27 July, give the exact rendezvous position of another convoy approximately 300 miles west of the Hebrides and describe measures which will be required to counteract the activities of our submarines.

An intelligence report states that at present the British west coast ports are badly congested, evidently due to extensive diversion of east coast traffic. The congestion is especially bad in Liverpool, Birkenhead, the Manchester Canal and Glasgow. Unloading is said to be so difficult that Greek shipowners receive up to 50% increase in freight fees if they agree to unload certain

31 July 1940

CONFIDENTIAL

goods by ship's boats and bring them alongside the quays. Such cases have been observed several times. Unloading outstream is said to be extremely irksome and slow. According to this report, convoy traffic in the Channel has been greatly reduced and now carries only such goods as cannot be unloaded in the western ports at present or which are urgently required in London or Hull (e.g. certain foodstuffs).

In general, the report confirms Naval Staff's previous impression.

Central Atlantic:

On 30 July the aircraft carrier ARGUS and two destroyers entered Gibraltar. Presumably, convoy RS 5, which she was escorting, is proceeding on south.

On 30 July a convoy of 20 steamers left Gibraltar westward bound. Today another convoy is to leave Gibraltar for the Atlantic. Investigations must be made to establish where the steamers which assemble in Gibraltar come from. It is suspected that they may be vessels which have successfully run the Italian blockade.

South Atlantic:

The cruiser DRAGON left Duala. The auxiliary cruisers CANTON and ASTURIAS have been detected in the northern part of the South Atlantic, presumably on escort duty between Freetown and Great Britain.

North Sea/Northern Waters:

No enemy vessels located in northern waters.

The aircraft carrier FURIOUS and cruiser AJAX were observed at sea in the Scapa area.

In the afternoon, air reconnaissance detected several convoys off the east coast of Great Britain. Approximately fifteen destroyers were sighted in the area between the Thames and Lowestoft - Yarmouth. The convoys consisted of 17, 30-40 and over 40 ships.

The British Admiralty admits the loss of the destroyer DELIGHT by bombing.

31 July 1940

CONFIDENTIAL

Channel:

The British press and propaganda has a great deal to say on the activities of our PT boats. Announcements reveal that the enemy realizes the great danger represented by this weapon.

France:

The Armistice Commission has given permission for French food transports to proceed from Dakar via Casablanca to Bordeaux within Spanish territorial waters.

Own Situation

According to Reuter, the British Admiralty has announced that an engagement took place between the British auxiliary cruiser ALCANTARA and a German auxiliary cruiser in the South Atlantic. The German vessel is said to have had her fighting strength considerably reduced and to have made off under cover of smoke after being hit. Owing to a hit which reduced her speed the ALCANTARA was unable to press home the pursuit. The German auxiliary cruiser is said to have escaped. The damage to ALCANTARA is reported to be slight; casualties were two dead and seven wounded. Search for the German ship is reportedly continuing.

From radio intelligence reports, the engagement is believed to have taken place on the evening of 28 July at approximately 24° 10' S, 31° 50' W. On the morning of 29 July the Admiralty issued a warning report giving this as the position of a German raider. According to the Radio Monitoring Service, the ALCANTARA was en route from Freetown to the east coast of South America and was detected in the radio area of the Falkland Islands on 29 July. The vessel engaged must have been Ship "10" which is in the South Atlantic and is maintaining radio silence.

On 30 July at 1500, Land's End radio station issued a warning to all British merchantmen in regard to an unidentified German vessel, probably a raider, which on 30 July at 0010 (BST) was in the vicinity of 35° N, 45° W. According to this warning the British direction finding service succeeded in taking a bearing on the short signal sent at the time mentioned by Ship "21". The position mentioned lies about 500 miles north-northeast of the point of Ship "21"'s supply rendezvous with the tanker RECUM. The enemy, therefore, has knowledge of the presence of two auxiliary cruisers,

31 July 1940

CONFIDENTIAL

one in the Central Atlantic and one in the South Atlantic.

The possibility of taking a bearing on a short signal, which had so far been considered impossible if correct radio procedure were followed, will require thorough investigation.

The auxiliary cruisers were advised of the results of radio intelligence (see radiograms 1335, 1907, 1911).

Norway:

The cruiser HIPPER reported her position approximately 220 miles northwest of the North Cape. No successes so far.

Admiral, West Norwegian Coast announces suspected mines close inshore in the vicinity of Stadtlandet.

Traffic along the Norwegian coast was carried out according to plan.

During a British bombing raid on a convoy off Mandal, one British plane was shot down.

Ship "7" with tanker TIGER is en route from Trondheim to northern Norway.

North Sea:

Numerous enemy air incursions indicate minelaying off Borkum and Norderney. Otherwise nothing to report.

Channel, Atlantic Coast:

Owing to bad weather no PT boats were sent out.

Air reconnaissance from Brest over the Bay of Biscay produced no results.

In regard to the question of stopping merchant traffic from the Spanish coast to Great Britain, Commanding Admiral, France received the following order:

"Shipping movements along the French Atlantic coast reveal the necessity of control and action against this merchant shipping. Even carrying this out with improvised sea and air measures appears very promising; Spanish vessels are not to be stopped but other

31 July 1940

CONFIDENTIAL

neutral and enemy vessels are to be brought in if possible."

Commanding Admiral, France is to report what steps he plans to take.

Skagerrak/Kattegat/Western Baltic:

Continuous patrol, transport traffic and minesweeping activities were carried out according to plan. Depth charges were again dropped on the suspected sinking position of the submarine attacked yesterday east of Laesoe; large quantities of oil and air bubbles came to the surface.

Mine situation: In the Fehmarn Belt minesweeping was carried out by mine-exploding vessel "X". Minelaying is suspected, owing to enemy air incursions, in Kiel and Eckernfoerde Bays, the Langeland Belt and the approach to the Flensburg Estuary.

During a surprise attack by an enemy plane on the airfield at Aalborg a British bomber was shot down.

Submarine Situation

No changes in the operational area. U "60" put out for the operational area. In the afternoon U "99" contacted an outbound convoy. The Radio Monitoring Service detected the sinking of a steamer.

Air Situation

See Air Force Events of the Day.

Raids on east coast convoys by armed reconnaissance planes only. No special results. Successful nuisance raids on large fuel depots, port installations and aircraft factories were continued.

The 2nd and 3rd Coastal Patrol Squadrons, 606th Group completed their transfer to Brest.

In regard to the employment of Coastal Patrol Group 506, at

31 July 1940

CONFIDENTIAL

present under the 10th Air Corps in Norway, difficulties have arisen lately in connection with the operations by the HIPPER against merchant shipping in northern waters, which point to lack of cooperation between the Admirals responsible in the Norway area (Group and Commanding Admiral, Norway) and to lack of contact between the Group and the Air Force operational Commanders (5th Air Force and 10th Air Corps). In this case, owing to the branches of the Services and Commanders working side by side, several contradictory demands have been made by the Navy to Air Force Operations Staff, thus creating an impossible situation for Naval Staff. In the opinion of Naval Staff the difficulties are due not least to a certain lack of interest on the part of Group West in the Norwegian area in which, as opposed to Naval Staff, the Group has for some time failed to see any more operational tasks. In this connection it is pointed out that Group West is still responsible for the North Sea - northern waters area and that it is one of its first tasks, within the orders issued, to ensure the closest contact with the Air Force operational Commanders, which is essential for the naval and air defense of the Norway area. (For details see Naval Staff's considerations of 30 July in regard to employment of the 506th Coastal Patrol Group, in War Diary, Part C, Volume V.)

Mediterranean

See Situation Mediterranean.

The transfer to Libya of troops and material urgently needed for the African campaign at present takes first place in Italian naval warfare.

In the morning, British Task Force "H", consisting of the HOOD, VALIANT, RESOLUTION, ARK ROYAL, ARGUS (which joined Force "H" after escorting convoy RS 5) ENTERPRISE and ARETHUSA as well as several destroyers, left Gibraltar eastward bound. The target of operations is not yet evident, possibly the Italian convoys. (?)

War against Merchant Shipping

According to a careful summary of foreign merchant shipping losses, compiled by Naval Intelligence Division, Foreign Merchant Marine

31 July 1940

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Branch, world tonnage sunk from the beginning of the war up to 30 June (excluding Germany) amounts to 947 ships, known by name, totaling 2,912,000 G.R.T. Up to the end of June, 331 ships totaling 1,652,439 G.R.T. were sunk by submarines and 41 ships totaling 186,071 G.R.T. by surface vessels (pocket battleships, auxiliary cruisers, PT boats, patrol boats and in the Norwegian campaign). After accounting for over estimation which often occurs in the case of submarines, the actual number of sinkings by submarines up to June 1940 is to be regarded as 350 ships totaling 1,169,340 G.R.T.

It is almost impossible to calculate the successes of the Air Force, as great exaggeration of the number of individual ships reported sunk is to be assumed.

For details see summary by Naval Intelligence Division, War Diary, Part B, Volume V, page 158. The total number of sinkings given in this summary, which is based on cautious evaluations, differs considerably from the figures published for propaganda purposes and from the announcements of the Armed Forces High Command reports, made on the basis of the first reports which could not be adequately evaluated. For the total assessment of the war against merchant shipping and its effect on the enemy's economic strength and powers of resistance it is necessary to take the conservative and impartial estimates of Naval Intelligence Division as a basis. If the losses known by name amount to about 90% of those which actually occurred, the total loss of tonnage in the service of the enemy may be calculated at approximately 3.2 million G.R.T. up to the end of June 1940.

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