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UNCLASSIFIED

WAR DIARY

German Naval Staff Operations Division

PART A VOLUME 12

DECLASSIFIED JAW DOD MEMO OF 5 MAY 1972, SUBJ:
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AUGUST 1940

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In reply
refer to
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Ser 02312P29
19 December 1956

From: Chief of Naval Operations (Director Naval History)
To: Distribution List

Subj: Transmittal of Translations of German War Diaries from
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for April 1943, Part A, Volume 44
(2) War Diary of German Naval Staff Operations Division
for August 1940, Part A, Volume 12

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Captain Steiger, Canadian Army Historical Section, c/o Canadian
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(For the joint use of the Canadian Navy and Army)

Editorial Note:

The translation of this German war Diary was made in London, England, under the guidance of Commander S. R. Sanders, USNR. When his London Office was closed and the translation project was discontinued, much unfinished material was sent to Naval History Division, (Op-29). Volumes of these diaries have been periodically distributed as funds and other conditions permitted.

The translations and stencils have not been checked by the Director of Naval History Division for accuracy of interpretation, phraseology, and spelling of officers' names or geographical names. Distribution under these conditions seems justified because of the excellent reputation of the London personnel and because translators are not available in Naval History Division. Research to correct possible inconsistencies did not warrant the time involved.

The War Diaries of the German Naval Staff, Operations Division, 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.

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Office of the Chief of Naval Operations
Naval History Division
Washington 25, D. C.
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Items of Political Importance

Norway:

No agreement has been reached to date between the German authorities and the Norwegian representatives on the future Government.

Russia:

For Molotov's speech, see foreign press. Regarding relations with Germany he said:

"Relations with Germany were laid down in the Soviet-German agreement, which has been strictly observed by the U.S.S.R. Possibilities of friction are eliminated by this and Germany is assured of peace and security in the east. In reply to speculations as to possible differences between Russia and Germany, it is confirmed that Soviet-German relations are of a neighborly and friendly nature, based not on fortuitous considerations but on the cardinal national interests of both countries."

Balkans:

The Foreign Office reports the following results of the Salzburg conference:

a. Bulgaria - Rumania:

Rumania fairly willing to meet Bulgaria's territorial demands. No decision has yet been reached as to the date on which the territory is to be ceded (Southern Dobruja).

It is assumed that an agreement will be reached soon by direct negotiation.

b. Hungary - Rumania:

The attitudes of both countries differ considerably. The territory offered by Rumania embraces only a small part of the area demanded by Hungary. The Hungarian demands are too extensive (e.g. the entire ridge of the Carpathian Mountains). Agreement by direct negotiation is unlikely. Reconciliation might be possible after two or three meetings.

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c. Slovakia:

Slovak fears that Rumania might demand further territory have been allayed.

The Slovak State has been recognized. The new German Ambassador has been appointed to Bratislava (Killinger).

Should no agreement be reached between the States by direct negotiation, Germany and Italy may arbitrate.

U.S.A.:

Roosevelt has ordered that, as from 1 Aug., the export of American aviation gasoline to countries outside the Americas is prohibited. (This order affects primarily Japan, Spain and Portugal. Of course, it is still possible for these countries to procure gasoline from Mexico. Great Britain is not affected, as Canada can purchase the gasoline and ship it to her.)

Japan:

The new Government is determined to stop British agitation. The propaganda campaign in connection with the recently detected British espionage activity is designed to prepare the Japanese for the government's anti-British policy.

Conference on the Situation with Chief, Naval Staff

Special Items:

1: Operation "Seelowe":

Chief, Naval Staff reported on the conference with the Fuehrer. The Fuehrer accepted 15 Sept. as the date by which preparations for Operation "Seelowe" should be completed. A final decision as to whether the operation "on a broad front" should be canceled and the transport operation limited to the area on both sides of the Strait of Dover has not yet been made.

However, Chief, Naval Staff believes that the Fuehrer who, on the basis of Commander in Chief, Navy's report, fully recognizes the difficulties of the operation on a broad front, will change the landing plan to comply with Naval

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Staff's proposals. Chief, Naval Staff has ordered all preparations to be continued with the utmost speed so that everything shall be completed by 15 Sept. The subordinate assignment of "setting up artillery on the Channel coast" is to be completed as quickly as possible.

A change in landing plans will involve an immediate change in the preparations to be made. These will concentrate mainly on the preparation of harbors in the Boulogne - Ostend area as regards loading facilities and capacity. Transport vessels will have to be assembled in such a way that the bulk of them is concentrated near the jumping-off bases now scheduled and in the inland waterways. Mine-laying plans will have to be concentrated on the barrages planned northeast and southwest of the Strait of Dover. Orders relating to the distribution of forces and organization will remain effective.

Guiding principles in accordance with the new situation have been issued in Order 1/Skl I op E 1099/40 of 1 Aug. 1940 (see file "Seeloewe", Order No. 20) to Commanders, naval liaison officers and Naval High Command offices concerned. It will be necessary to check arrangements as regards accommodating transports in the new jumping-off area, and as regards timing and capacity of the subsequent transport operations (see file "Seeloewe", Order No. 21). Naval Staff is anxious to gain a clear picture as soon as possible of the transport facilities which the Navy can guarantee from the Boulogne - Ostend area, since Army General Staff's operations depend on this. Naval Staff's request concerning execution, and also the limits of available transport space, are to be presented again to Commander in Chief, Army and Commander in Chief, Air Force at the first opportunity so that the Army and Air Force may be in a position to make their comments.

2. Four guns of Battery "Grosser Kurfuerst" are ready for action today on the coast of Flanders. The Admiral has therefore authorized from today firing on targets at sea within range. Two guns of the 38 cm. battery will be ready for action between 15 Aug. and 25 Aug. Clearance operations in the Channel ports have commenced. It is expected that they will be completed in time. The only difficulties encountered are at Dunkirk, owing to great destruction there.

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Situation 1 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

Radio monitoring detected new convoy movements on the Canada route.

Course directions given to a Japanese steamer bound for Liverpool confirm that all merchant shipping bound for harbors on the west coast of England is diverted round northern Ireland into the Irish Sea.

Central Atlantic:

Convoy RS 5 escorted by aircraft carrier ARGUS as far as Gibraltar seems to be heading for Aden, according to radio intelligence. It will probably proceed through the South Atlantic and round the Cape.

South Atlantic:

Auxiliary cruiser ALCANTARA, damaged by Ship "10", put in to Rio de Janeiro, where she is to carry out emergency repairs. (Three hits on starboard side water line, one hit on the funnel.) Nothing to report from northern waters or the North Sea.

France:

The French have asked for permission to carry out a weekly freight service between Baltimore and the Antilles, using the American coastal route, in order to supply the islands. Permission will be granted. It is necessary to enable the French to supply their colonies, or the French Government's weak authority there might be undermined with unfavorable consequences to ourselves. The French Government will be held responsible that ships do not fall into enemy hands.

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Own Situation

Foreign Waters:

Northern Waters:

Ship "45" is still in the Barents Sea. The Russians report that the first convoy will leave Murmansk on 2 Aug. Ship "45" is to join the second Russian convoy. Sailing date probably between 4 and 6 Aug. She has been informed to this effect.

Central Atlantic:

The American press reports that the two British steamers in the West Indies were supplied (sunk? Tr.N.) (by Ship "10") outside the Pan American neutrality zone. A protest by the American Government is therefore not expected.

South Atlantic:

According to an Admiralty announcement the engagement between Ship "10" and auxiliary cruiser ALCANTARA took place near the island of Trinidad, approximately 770 miles east of the Brazilian coast. Naval Staff's assumption is thus confirmed. No report from Ship "10" has yet been received. It is therefore assumed that she was not seriously damaged and that she has withdrawn for the time being. Naval Staff has congratulated Ship "10" on a successful engagement and has informed her that no radio report is expected at present. (In the opinion of Naval Staff, however, the best time for this would have been immediately after the engagement with the Alcantara.)

Norway:

The HIPPER is operating against merchant shipping in the North Cape area. Air reconnaissance sighted only Swedish and Finnish merchant shipping north of North Cape.

Ship "47" sailed from Trondheim into the operational area. Merchant shipping and exploratory sweeps by minesweeping forces along the Norwegian coast are proceeding according to plan. Group West has placed the 3rd Minesweeper Flotilla temporarily at the disposal of Commanding Admiral, Norway, for operations especially off Trondheim. The boats will sail on 4 Aug. Commander, Net Defense Unit is at present investigating laying of the net barrage off

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Trondheim. The barrage is to be completed by October (see teletype 1135).

Commanding Admiral, Norway's letter of 24 July, stating minimum requirements of forces to carry out the duties now demanded along the Norwegian coast, is acknowledged in principle. However, the special situation arising from operation "Seelöwe" necessitates extensive restrictions in all theaters of war not directly connected with that operation. Commanding Admiral, Norway and Group Baltic (later Group North) have received the following directive on the distribution of forces:

Group North will assign forces to Commanding Admiral, Norway after assessing the overall requirements, including Norway.

The aim of this distribution must be to assign as constant a percentage as possible of the forces available in the area of Group North to Commanding Admiral, Norway. Because of the long distances involved and the special conditions existing along the Norwegian coast, it is not desirable that forces assigned to Commanding Admiral, Norway should be changed frequently.

Naval Staff is responsible for the assignment of forces to Group North. Only in exceptional cases, however, will Naval Staff intervene in distribution within the Group area, e.g. to Commanding Admiral, Norway and the remaining area of Group North. The vessels which Commanding Admiral, Norway has assembled from his own resources for assignments in the skerries are to remain under his command.

North Sea:

Four boats of the 2nd PT Boat Flotilla carried out a minelaying operation off Orfordness (grid square 7695) during the night of 31 July.

Since mine-exploding vessel "X" was damaged by a mine, Group points out the disastrous shortage of this type of vessel.

There will be no improvement in the situation until further vessels are available during the course of this month.

Channel/Atlantic Coast:

Admiral, Western France has been ordered by Group West to

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send out suitable vessels for operations against merchant shipping off the northeast coast of Spain. Commander, Naval Air, West is to consider the question of sending out planes from Brest for this purpose. The Trans-Ocean Squadron has been transferred to Brest to carry out long-range reconnaissance.

Air reconnaissance from Brest reported no merchant traffic in the western outlet of the Channel. One enemy destroyer was sighted southwest of Ireland.

Brest is hardly suited as a main naval base because of the condition of the dockyards and the damage caused to harbor installations, in addition to the fact that it is vulnerable from the air. St. Nazaire has therefore been selected as a main base and appropriate orders to expand the harbor have been given. Lorient will continue to be the main base for submarines.

Skagerrak/Kattegat/Western Baltic:

Doubts as to the accuracy of the report concerning presence of a submarine east of Laesoe proved to be justified. Oil patches and locations made came from the wreck of a ship.

Mine Situation:

Patrol boat "1002" struck a mine off the southern point of Langeland and was damaged. Nothing to report on transport traffic to Norway and Skagerrak/Kattegat patrol. Enemy planes flew over the Western Baltic as far as Luebeck Bay; minelaying suspected in Kiel Bay, Eckernfoerde Bay and the Great Belt.

In the course of talks held in Copenhagen between Admiral, Denmark and a Swedish delegation, the Swedes did not pursue their request for a joint operation to sweep ground mines in Swedish territorial waters, but only asked for information about German gear used for this purpose. Obviously in the meantime the Swedes have come to the conclusion that a joint minesweeping operation with German naval vessels in Swedish territorial waters might lead the British to lay mines in earnest.

The cruiser PRINZ EUGEN (Commander: Captain Brinkmann) has been commissioned at Kiel. Commander in Chief, Navy sent the following telegram to the PRINZ EUGEN:

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Acknowledge with thanks report concerning commissioning of cruiser PRINZ EUGEN. I expect that her action readiness will be speedily established, so that the crew may have an early opportunity of doing honor to her glorious name. I wish the Commander and the crew of PRINZ EUGEN godspeed and all success."

Submarine Situation

In the Atlantic operational area: U "1A", U "52", U "56",
U "57", U "58", U "99".

On return passage: U "34", U "59" (to
Bergen), U "62".

On passage into the operational
area: U "60" in the central
North Sea, U "25", U "37",
U "38", U "46" in the
Heligoland Bight.

U "58" has orders to sail for the North Channel.

In Lorient: U "30".

Submarine Successes:

According to radio intelligence, yesterday was a specially successful day for our submarines. A total of about 35,000 tons of shipping was sunk, i.e. British steamer THESEUS (6,527 G.R.T.) 430 miles west of Ireland, Norwegian tanker STRINDA (10,973 G.R.T.), British steamer LUCERNA (6,556 tons), British tanker ALEXIA (8,016 tons) and an unidentified Syrian steamer. (All four from a convoy approximately 350 miles west of the northern tip of Ireland.)

U "34", returning from the Atlantic, reports the sinking of submarine SPEARFISH off Noss Head. Thus in two operations within 41 days U "34" (Lieutenant Rollmann) has sunk twelve steamers totaling 74,338 G.R.T., the destroyer WHIRLWIND and submarine SPEARFISH.

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Air Situation

See Air Force Events of the Day.

No special incidents. Reconnaissance was hindered by weather conditions. Nuisance raids against large fuel depots and industrial plants were successfully continued.

Merchant Shipping

Estonian ships in the Atlantic received orders to proceed to Murmansk and those in the Pacific to Vladivostock. On the day of the incorporation of Estonia into the Soviet Union, the ships are to fly the national flag of the Soviet Union.

Mediterranean

The Italian transports arrived in Tripoli and Benghazi according to schedule; the naval forces returned to their home bases. The Air Force attacked Task Force "H".

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Items of Political Importance

Great Britain:

According to the Under Secretary of State, Butler (Foreign Office), Britain could only accept peace proposals after proving her military strength. British history demands proof of the utmost resistance. A collapse such as that of Germany in 1918 or of France recently would be out of the question in the case of Great Britain.

Other members of the Government stated that Britain need only keep a German invasion at bay for two more months, as the British Government had received confidential assurance that the U.S.A. would intervene in the war next spring.

France:

The Government has warned members of the Armed Forces to take no further part in the war. A military tribunal has sentenced General de Gaulle to death "in absentia" on grounds of high treason and desertion.

Spain:

A report from the German Embassy in Madrid on the Gibraltar question states that:

Up to now the British Government has not commented upon General Franco's speech concerning Spanish claims on Gibraltar. However, political circles attach importance to the statements and the speech is taken as a proof that Spanish policy is running along the same lines as those followed by Italy before she entered the war. Thus Britain must prepare plans for a military offensive and have a thorough control of Spanish supplies carried out, so as to prevent her from accumulating sufficient reserves for the time when she is at war. The Spanish claim is justified to a certain extent. The military importance of Gibraltar is doubtful (?) and the matter does not justify incurring the enmity of Spain. However, for reasons of prestige it will not be possible to solve the Gibraltar question until after the end of the war.

Japan:

War Minister Tojo is said to have taken strong action against

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British espionage activity. Tojo is anxious that Anglo-Japanese relations should be strained and broken off as soon as possible, in order that he may expedite action against British possessions in East Asia as desired by the Army.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Operation "Seelowe":

A letter has been sent to Commander in Chief, Army and Commander in Chief, Air Force, stressing Naval Staff's requests and containing a clear statement of the ways in which the transport operation may be carried out. The Army and Air Force have been asked, on the basis of the Navy's transport facilities, to inform Naval Staff at the earliest opportunity of their plans for using transport space, according to strength, type and composition of the forces to be taken across. This will enable Naval Staff to continue work on transport plans.

The letter also points out the two basic requirements which, from the Navy's point of view, are absolutely essential for the operation, namely:

- a. Time: about 2 - 3 hours after high tide.
- b. Crossing to be made when there is a certain amount of light (half-moon).

The difficulty and military disadvantages of carrying out the operation by night are particularly stressed.

Following on the statements already made at the last conference between Chief, Naval Staff and the Fuehrer, the letter once more gives the Army and the Air Force details of the special characteristics as regards transport and execution and the difficulties of the operation and details of the particular complications arising from a landing "on a broad front" as demanded by the Army. It is emphasized that as long as there are no harbors yet available and as long as the British Navy is not yet finally driven from the English

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Channel by our Air Force and our own few naval forces, the German Navy can only guarantee to carry troops in and on both sides of the Strait of Dover. Naval Staff also states that it considers the crossing possible in this narrow area with a constant flow of transports.

Naval Staff emphasizes that these demands as to time and place are considered essential if transport operation "Seelöwe" is to succeed at all.

General Staff's Liaison Officer to Naval Staff, Col. von Witzleben, has been dispatched to Army General Staff Headquarters with this letter to make Naval Staff's views clear. General Staff must come to a definite decision soon, so that work may continue without delay. Naval Staff fears that General Staff will not give way in its demand for an "operation on a broad front". Naval Staff's point of view and its demands will therefore be emphasized once more in discussions between Chief of Staff, Naval Staff, Chief, Operations Division and General Staff, as soon as the latter has thoroughly investigated Naval Staff's demands.

For letter from Naval Staff to Commander in Chief, Army and Commander in Chief, Air Force see 1/Skl I op. 1110/40 dated 2 Aug. in file "Seelöwe", Order No. 22.

2. As a preliminary instruction and preparation for the first Atlantic operation of the cruiser ADMIRAL SCHEER, Naval Staff has sent a letter to the SCHEER, to the two Group Commands and to the Fleet Command, containing Naval Staff's sailing plans for her departure and first operation. She is to be in operational readiness by the beginning of September, while equipment for the Atlantic operation is to be completed by 10 Sept. at the latest. Sailing is planned for the first half of Sept. First operational area will be the Canada route, in the central to western part of the North Atlantic. The cruiser is to sail unobserved and to make a surprise appearance on the North Atlantic route. She will operate against one of the weakly escorted Halifax convoys. Probable further operational area: the West Indies route, especially at either end of it, northeast of the Lesser Antilles, and in the Azores area, Cape-Freetown route, South Atlantic, Antarctic. Alternative area: Indian Ocean. (For particulars see Order 1/Skl I op. 1109/40 in War Diary, Part C, Vol. I.)

3. Group West, Commander in Chief, Air Force and Mining

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and Barrage Inspectorate have received orders from Naval Staff to the effect that use of the new "Fab III" firing for ground mines is now permitted. "Bik" and "Fab III" mines are to be laid together in the ratio of 3:2. Measures should be taken to assure that the new mines alone are not laid anywhere, because of the risk of the new firing device being discovered. Safety distance apart 400 m. - observance of this is considered essential to the success of the operation. The depth at which the new firing device reacts is approximately equal to that of the "Bik" against unprotected ships.

Naval Staff hopes that this use of ground mines with the new type of firing will give them a decisive effect if it takes the enemy by surprise and he is not yet in possession of adequate defense devices. There is as yet no evidence of any defense facilities against the new type of firing. However, information from French intelligence sources suggests that the enemy has been working on the principle of the new firing device for some time. It remains to be seen whether he has already reached a practical solution or whether he has abandoned development of other defense devices because so far only the magnetic firing has been used.

Situation 2 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

Radio intelligence reports various convoy movements on the North Atlantic route.

A report from the station at Trinidad to Commander, America - West Indies Station states that the crew of the steamer DAVISIAN was taken prisoner on 10 July (by Ship "21") and put aboard the raider NERVIK for four days.

North Sea/Northern Waters:

No enemy movements in northern waters.

The old battleship BARHAM and destroyer ASHLANTI were at sea

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in the Scapa area in the afternoon. Air reconnaissance reported various convoys off the east coast of Britain.

Channel:

Apart from enemy air activity, nothing special to report.

Own Situation

There are no new reports from our auxiliary cruisers. The ships have been informed of the enemy situation (see radiograms 1702, 1803).

The tanker RECUI (en route to supply Ship "10") has been informed of the British Admiralty's warnings to shipping about German raiders as well as of the engagement with the auxiliary cruiser ALCANTARA. As there is no imminent danger of enemy action, the ship has been instructed to continue her passage and to remain unnoticed if possible.

Norway:

No reports from the HIPPER operating in northern waters.

Ships "7" and "47" are en route for the operational area off the North Cape.

Transport traffic off the Norwegian coast without incident. According to Norwegian statements there are mines off the east coast of the Frohavet. Investigations are being made.

North Sea:

Nothing special to report.

Naval Staff has issued the following directive to Commander in Chief, Air Force, Group West and the Mining and Barrage Inspectorate concerning the use of aerial mines against harbor basins, docks and sluices:

"When aerial mines are laid in harbor basins, docks and sluices, the enemy will in most cases observe this and therefore be able to salvage the ground mine before it detonates. It is therefore important to make sure that

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the mine detonates before it can be salvaged, so that it damages harbor installations and vessels in the vicinity. For this kind of operation, the mine is to be laid without "Bik". The mine will then detonate automatically after the time switch runs down (20 minutes after it is dropped). If it falls on land it will be detonated by the additional firing "Z 34", causing considerable surface damage."

Commander in Chief, Air Force, Operations Staff reports that the anti-aircraft and fighter defenses of Kiel and Wilhelmshaven have been inspected again and are considered adequate. In view of the general situation and air defense, no reinforcement is possible.

Channel/Atlantic Coast:

No PT boat operations because of the weather. Minesweeping continued by the 2nd and 4th Motor Minesweeper Flotillas and by the 38th Minesweeper Flotilla (see teletype 2200).

Admiral, Western France reports Battery "Kerbon" (four 16.4 cm. guns) ready for action.

Aerial mines may again be laid in the western and eastern entrances to Portsmouth, including Southampton. Other harbors on the south coast are not to be mined. An order to this effect has been sent to Commander in Chief, Air Force and to Group West for attention of the 3rd Air Force and the 9th Air Division.

Apart from Spanish fishing trawlers, no shipping was reported in the southern Bay of Biscay by air reconnaissance. No enemy activity is reported in the area southwest of Ireland as far as 14° W. Planes operating from Brest have been ordered to establish the nationality of merchant ships which they encounter and, if necessary, to bring them in. Spanish steamers are not to be stopped or brought in.

Commanding Admiral, France is fitting up two steamers for operations against merchant shipping off the Spanish coast. Suitable armament is requested. Unobtrusive reconnaissance by camouflaged schooners is being investigated. Commanding Admiral, France suggests transfer of a flight of seaplanes to Biarritz to carry out reconnaissance in this area, and also the establishment of a branch office of the Naval Attache in San Sebastian to maintain direct communication.

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Transfer of seaplanes to Biarritz is rejected by Naval Staff. The duties must be taken over by planes of the Group stationed in Brest or by the operational Air Force. Commanding Admiral, France has received directions to this effect.

A British pilot who was shot down on 20 July stated that British planes were expressly instructed to bomb lighters and barges concentrated in the Rotterdam area. He said that it was known in Britain that these craft were being concentrated in that area.

In view of this report and referring to its comments on preparatory measures for operation "Seeloe", Naval Staff points out again to Armed Forces High Command (with copy to Commander in Chief, Air Force and Commander in Chief, Army) that its views on the great danger to all measures for preparation and assembly of transports are emphasized by this enemy pilot's statement. Since the deadline for the operation has now been fixed, there is no longer any reserve period if delays occur through such air attacks. Nor is it possible to build up a great reserve of material, so that any damage or loss of transport space must seriously weaken even the first landing operation. Therefore Naval Staff again emphasizes the necessity of gaining air supremacy as quickly as possible (see file "Seeloe", Order No. 24).

Skagerrak/Kattegat/Western Baltic:

During the night of 2 Aug. numerous enemy planes were over the Danish islands, Jutland and the eastern entrances to the Western Baltic. No bombs were dropped. Minelaying is suspected, particularly in the southern outlet of the Great Belt and in the northern part of the Sound.

Routine transport movements. Skagerrak patrol and anti-submarine patrol without incident.

The office of Commander, Naval Air, Baltic will be replaced from 5 Aug. by the office of Air Commander, Baltic, who is at the same time Commander of the 906th Coastal Patrol Group. Air Commander, Baltic is responsible to Commander, Naval Air in matters of personnel and to Group Baltic (later Commanding Admiral, Defenses, Baltic) in operational matters.

Group Baltic reports that 3½ months' experience of sweeping ground mines has shown that available defense measures against this type of mine are wholly inadequate. The

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number of vessels having magnet gear is especially inadequate, and these are considered the most effective means of sweeping. An urgent speed-up in the preparation of vessels equipped with magnet gear is requested. The Group reports that there are now daily flights into endangered areas and the shortage of equipment for sweeping ground mines has already led to traffic having to proceed without escort (except on routes which are definitely closed). Only special ships can be provided with escort.

High Command, Navy is doing its utmost to speed up the preparation of adequate equipment for sweeping ground mines.

On several occasions recently, German anti-aircraft batteries have been hindered by the light from Swedish searchlights while British planes were approaching. The Naval Attache in Stockholm has asked the Swedish Navy to issue an order forbidding Swedish searchlights to be trained on the surface of the water and on the shore opposite. It is also pointed out that the posting of searchlights is a favorable navigational aid for British planes and may be of considerable assistance in laying mines in Swedish waters also.

Submarine Situation

In the Atlantic operational area: U "1", U "52", U "56",
U "57", U "58", U "59",
U "99".

U "57" is assigned the area north of $55^{\circ} 45'$ N, concentrating east of 10° W (west of the northern North Channel). She reported from her former operational area northwest of the Hebrides: No traffic, only patrols. U "56" is in the same area as U "57", U "99" west of it, U "58" and U "52" south of U "99".

On passage to the operational
area:

U "25", U "37", U "38",
U "46" in the central
North Sea.

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Submarine successes:

U "99" (Lt. Kretschmer) reports sinking 3 steamers proceeding alone, totaling 24,211 G.R.T., also 1 freighter and 3 tankers from an outward bound convoy, totaling 31,957 G.R.T. Total: 56,118 G.R.T. An excellent achievement. The submarine is now proceeding to Lorient. U "59" is on the way back to Bergen after sinking a 6,000 ton steamer (one pistol failure, three misses).

Submarine successes in June: 469,599 G.R.T., i.e. 68 ships, including 4 auxiliary cruisers. Each submarine at sea in June sank 16,771 G.R.T. at an average of 19.7 days at sea, i.e. 851 G.R.T. for each day at sea (not including the missing submarines U "26", U "102", U "122").

Merchant Shipping

The Finnish prize ship LAHTI, proceeding to Hamburg by way of Swedish territorial waters, anchored within territorial waters north of Stromstad on the evening of 1 Aug. The crew refused to continue passage and the prize crew of three was unable to prevent the Finnish crew of eighteen going ashore in Sweden. Sweden has declared that she is not interested in the events aboard the prize ship. The tug SEEFALKE with a German crew put out on the evening of 2 Aug. in order to put the German crew aboard.

Air Situation

See Air Force Events of the Day.

The 210th Heavy Fighter Wing carried out successful attacks against convoys off the southeast coast of England. A steamer of 8,000 tons and one of 1,000 tons were sunk by bombs.

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Mediterranean

See Situation Mediterranean.

British Task Force "E" was attacked by Italian planes south of Mallorca on the afternoon on 1 Aug. and on the morning of 2 Aug. Submarines have been sent out against Task Force "H". The British submarine OSWALD was sunk by the Italian destroyer VIVALDI.

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Items of Political Importance

Great Britain:

Lord Beaverbrook has joined the War Cabinet at the insistence of Churchill. The Cabinet now consists of the following: Churchill, Chamberlain, Attlee, Halifax, Greenwood, Beaverbrook. (The latter remains for the present Minister of Aircraft Production.)

Spain:

An additional treaty supplementing the Spanish-Portuguese non-aggression pact was signed on 29 July. The treaty provides that both countries will enter into discussions for mutual support should one of the partners be threatened. For the time being, however, there is no close collaboration between the two General Staffs, as proposed by Spain.

Our Ambassador reports that Spain is at present most anxious about further developments in the situation in North Africa. There has as yet been no disarmament at all in French North Africa. It is said that General Nogues is considering a colonial war with British aid, especially against Italy. In Algiers there is a fierce propaganda campaign against Petain. A continuous supply of war material, principally of American origin, is said to be arriving in Casablanca.

Russia:

For comments on Molotov's speech see "Political Survey".

U.S.A.:

The Military Attache reports that Britain's shortage of destroyers and small fast craft is particularly stressed in U.S. naval circles. It is believed in America that, as a result of the transfer of destroyers to the Mediterranean, Britain has only 100 destroyers for defense in home waters, and of these there are always 30 or 40 undergoing repairs.

Great Britain's new and strenuous endeavors to purchase ships and arms in the U.S.A. have so far been without success, since the Army and Navy are in no circumstances willing to give up any of their supplies - not even obsolete ships and weapons.

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Conference on the Situation with Chief, Naval Staff

Special Items:

1. Operation "Seeloeuwe":

In connection with the anticipated reorganization of operation "Seeloeuwe" on a "narrow front", Naval Staff, Service Division and Bureau of Naval Armament, Naval Ordnance Division have received orders for the establishment of various location gear.

Now that transports will cross the Channel only in the area between Etaples - Beachy Head and Dunkirk - Deal and there will be a continuous shuttle service here, it seems impracticable to establish location gear in this area as they do not distinguish between friend and foe.

On the other hand, it is considered imperative to cover the enemy's possible approach routes to the mine barrages flanking the designated transport route and also to protect the adjacent coastal route up to Cherbourg on the one side and up to the Dutch ports on the other side.

For instructions as to where gear are to be established (according to performance) see letter in file "Seeloeuwe", Order No. 23.

2. In connection with the extensive minelaying operations for operation "Seeloeuwe", Naval Staff has ordered the following vessels to be requisitioned and commissioned as auxiliary minelayers:

- a. Ferry DEUTSCHLAND of the Sassnitz - Trelleborg ferry service.
- b. Ferry SCHWERIN of the WARNEMUENDE - Gjedser ferry service.
- c. Norwegian ferry SKAGERRAK I.

Orders have also been given for Ship "23" (originally intended as an auxiliary cruiser, but not suitable) to be converted into an auxiliary minelayer.

The responsible offices in High Command, Navy have been informed and also the Groups and Baltic Station.

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3. Priorities in the Naval Construction Program:

As a result of the Fuehrer's decision to reorganize armaments production after the end of the campaign in France (in response to urgent requests from the branches of the Armed Forces), existing priorities in the Armed Forces program and the construction program have been changed by decree of the President of the Reich Defense Council, Reichsmarshall Goering, dated 18 July 1940. Two degrees of priority have been laid down, within which the construction programs are to be established on an equal footing with all facilities, personnel and material (production and transport facilities, power, coal, etc.). As far as the most important programs of the 1st degree of priority are concerned, demands are in principle to be complied with to the full, while carrying out of the 2nd degree of priority is to be based on fulfillment of the demands for the 1st degree. The following two most important construction programs of the Navy have been assigned the 1st and 2nd priority degrees:

1. The submarine construction program.
2. The completion of large ships under construction.

Though this order guarantees that everything will be done to expedite 1st priority programs, judging by past experience and taking into account the number and extent of the programs included in the new 1st priority, it seems doubtful whether it will really be possible for the Navy to obtain in time the full requirements (facilities, manpower, raw materials, etc.) which are necessary for the submarine construction program, merely through assignment of this priority.

The objections of Commander in Chief, Navy, to this order are based on experiences so far during this war, which have shown that it has not been possible to start on Navy projects as scheduled, despite the priority programs.

Commander in Chief, Navy has again emphasized in a letter to Chief, Armed Forces High Command, the urgent necessity of putting the German defense Council's decree into practical effect and of assigning to the Navy all the necessary facilities, raw materials and manpower. Armed Forces High Command has been asked for its active cooperation. A request to this effect has also been submitted to Reichsmarshall Goering.

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For details, see letter of Commander in Chief, Navy (M Wa Ji 749/40 dated 3 Aug. 1940) in War Diary, Part B, Vol. V, Page 159.

4. Report from Captain Wever (Armistice Commission) on status of armistice negotiations and situation in France.

Special Items: The French Government is in a very precarious position. It is unpopular and the machinery of administration is making a very slow start. Slow consolidation in the colonies. Situation in the Cameroons and in the Pacific still obscure. In general the French do not yet recognize the magnitude of their defeat and believe in a quick recovery. On the whole, food supplies in France are guaranteed but in spite of this the coming winter will be very difficult in every respect (below the German standard after 1918). The demarcation line is Germany's strongest means of pressure. The occupied area is divided into three zones:

Refugees may enter the first, but only special workers the second zone; refugees are not allowed to return to Alsace-Lorraine or to northern France as far as the Somme. The Army is being disarmed; so far about 1 million soldiers have been disarmed. Losses about $\frac{1}{2}$ - 1 million, 2 million prisoners - Control Commissions commence work on 5 Aug. Temporary Army 100,000 men. No heavy artillery, Army has no fighting power. Only defense troops for the interior. Demobilization of the Navy has been suspended at present. 75,000 men have been released. Fighting power of the French Fleet very low. The French have submitted a request for permission to bring a convoy of merchantmen through the Straits of Gibraltar, under naval escort, in order to see the British reaction.

Situation 3 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

No special enemy movements have been noted.

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In the Bristol Channel the effects of our aerial minelaying were evident from the minesweeping activity going on there.

South Atlantic:

The Naval Attache, Rio reports that according to the crew of the ALCANTARA, an auxiliary condenser and an auxiliary diesel engine were destroyed and steam pipes and a turbine damaged. The Brazilian Commission to settle the time allowed for repairs was scheduled to meet on 2 Aug.

North Sea/Northern Waters:

Nothing special to report apart from air activity over the North Sea and Heligoland Bight. During the night of 3 Aug. particularly, planes flew over the West Frisian Islands and the river mouths.

Channel:

Lively enemy air activity by day and night off the Dutch-Belgian coast and over the Somme estuary.

France:

The large destroyer MILAN and destroyer FLEURET are in Dakar and are to act as escort for three French steamers. The steamers will not sail until special orders are received. The large destroyer EPERVIER is thought to be still in Dakar too.

Own Situation

Foreign Waters:

No reports from the auxiliary cruisers. In addition to their numbers, which are retained as deception, the auxiliary cruisers are to receive the following names for use within the service and in order to establish a tradition. These names, however, are not to be revealed to the outside world in the course of operations:

· Ship "16" (Rogge)	- ATLANTIS
Ship "36" (Meyher)	- ORION

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Ship "21" (v. Rückteschell) - WIDDER
Ship "10" (Kaehler) - THOR
Ship "33" (Krueder) - PINGUIN
Ship "45" (Eyssen) - COMET
Ship "41" (Detmers) - CORMORAN

Norway:

The HIPPER is in the area of Vardöe. So far she has stopped only two Norwegian vessels. Air reconnaissance sighted a Finnish and a Russian steamer 130 miles north of the North Cape.

Ships "7" and "47" in northern waters according to plan. Ship "18" left Trondheim for the operational area.

Coastal traffic and patrols without incident.

North Sea:

Nothing to report from surface forces. Enemy planes flew over during the night of 3 Aug., probably laying mines in the river mouths.

Channel/Atlantic Coast:

No PT boat actions. The 2nd PT Boat Flotilla had to break off operations during the night of 3 Aug. because of engine trouble.

In the course of enemy air attacks, mines were dropped between the ends of the moles at the Hook of Holland. Sweeping carried out by the 34th Minesweeper Flotilla.

Air reconnaissance from Brest over the area southeast of Ireland sighted only one suspicious steamer.

The Fleet Command has transferred to Trouville in connection with the preliminary work for operation "Seelöwe" and will probably be ready to start work on 8 Aug.

Skagerrak/Kattegat/Western Baltic:

Nothing special to report. Transport traffic to Norway,

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patrols and anti-submarine activity according to plan.

During the nights of 2 and 3 Aug. British planes were over Schleswig-Holstein, the Baltic Sea entrances and the Western Baltic. Bombs were dropped but no particular damage was caused; suspected minelaying (see Teletypes 0600, 0700).

Submarine Situation

In the Atlantic operational area: U "1" off Freetown;
U "52", U "56", U "57",
U "58", U "99" in the
North Channel and in the
area to the west of it.

En route for the operational area: U "37", U "38", U "25",
U "46" in the central
North Sea.

Of these U "25" and U "46" failed to make a signal as ordered after passing through our own declared area. Air reconnaissance was sent out to search the outward route of the submarines. Oil traces were sighted, but no positive observations were made. Commanding Admiral, Submarines is anxious about the fate of the boats.

On return passage: U "59" east of the
Shetlands, en route to
Bergen. U "34" put in
to Wilhelmshaven.

Submarine Successes:

Lt. Rollmann, in command of U "34", has been awarded the Knight's Cross of the Iron Cross by the Fuehrer in recognition of his exemplary service and the great successes achieved.

The Radio Monitoring Service reports that the British tankers STRINDA, ALENIA and LUCERNA which were claimed to

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have been torpedoed on 2 Aug. from an outward bound convoy (U "99") are still afloat and are making for the Irish coast. Empty tankers are probably very hard to sink.

Air Situation

Only slight activity. No special successes. The 9th Air Division dropped mines off Sunderland. Nuisance raids on airfields and the Filton aircraft works during the night of 3 Aug.

Mediterranean

Nothing to report. The Italian Naval Staff assumes that, in the course of the operation by Task Force "H" (including the ARK ROYAL, ARGUS) in the Western Mediterranean, the British transferred planes, especially fighters, from the aircraft carriers to Malta.

The Commander of the 1st Italian Squadron (previously aboard the CAVOUR) is now flying his flag in the 35,000 ton battleship LITTORIO.

Merchant Shipping

For fresh information on British convoy traffic in waters around England and in the Atlantic, see report of Naval Intelligence Division, Foreign Merchant Marine Branch, No. 10 dated 31 July. The daily, very active convoy traffic off the east and southeast coasts between the Thames and the Firth of Forth is particularly worth noting and also the very detailed information on convoy traffic in the Atlantic, rendezvous areas and approach points. It is estimated that at least 2,000,000 tons capacity of imports a month are transported in convoys on the northern route (excluding unaccompanied ships). Similar imports on the north-south route, including shipping coming from Gibraltar and Spain/Portugal.

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This convoy traffic and the quantities of material getting through are considerable. They must be dislocated soon. It must be the main target of the war against merchant shipping to make convoy traffic on the east coast impossible by employing every available means of attack (mine, bomb, torpedo); to this end we must also continue the successful submarine campaign in the Atlantic, which cannot be greatly intensified, however, until the number of our own submarines is increased and Italian submarines used against north-south traffic. The aerial mine with the new firing device will play a specially important part here. It is also to be hoped that orders for intensified air operations against Britain will be given as soon as possible and that when British fighter defense has been overcome a decisive blow may be struck with strong forces against merchant shipping off the east and southeast coasts and harbor installations in the principal ports of destination and transshipment effectively destroyed.

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Items of Political Importance

Great Britain:

Rumors of the re-formation of the British Government headed by Lloyd George are to be given little credence.

Sweden:

Russia's new demands to Finland in regard to the Aaland Islands are still arousing great concern in Sweden. It is emphasized that Moscow intends to become one of the guarantors of the Islands, to which fact Sweden cannot afford to remain indifferent. Finland's fate affects vital Swedish interests.

Finland:

The Naval Attache has reported on the effects of the uncertain political situation on life in Finland. Russian pressure is expected to increase. The nation is determined to resist, but its power to do so is not thought to be very strong or united. There is a great deal of pro-German feeling, although it is deplored that Germany considers Finland to be in the Russian sphere of interest. The Army hopes that Germany will still come to Finland's assistance some day.

Japan:

In connection with the Anglo-Japanese tension, all Japanese ships en route to Great Britain have been ordered to interrupt their passage and to call at Lisbon.

Norway:

In connection with rumors of a German invasion of Britain, certain items in the Swedish and Finnish press deserve special attention. It is claimed that German troops in Norway, especially on the west coast in the area of Stavanger - Kristiansand - Bergen, have been considerably reinforced and that numbers of planes and quantities of war material have been brought up (German deceptive report?).

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Situation 4 Aug.

Special Reports on the Enemy

Great Britain:

Owing to British code changes, deciphering of British radio traffic will be difficult for the next 2 - 3 weeks.

Atlantic:

Nothing special to report. No new reports on convoy movements. On the morning of 3 Aug. the gun boat ROCHESTER was escorting a convoy 180 miles west of the northern tip of Ireland, heading for the North Channel. The three tankers that were torpedoed and damaged by submarine U "99" on the morning of 2 Aug. are to join this convoy. The exact route will be ascertained by radio intelligence.

Intelligence Center, Spain reports that the RESOLUTION, the VALIANT, the carrier ARGUS and seven destroyers entered Gibraltar on the morning of 4 Aug. The HOOD had already arrived. The formation, with the exception of one battleship, is said to have left Gibraltar again on the evening of 4 Aug., eastbound.

Northern Waters:

No reports on the enemy.

North Sea:

On 4 Aug. submarines SNAPPER and TRITON returned to Rosyth from operations in the North Sea. Submarine TRIBUTE will also put into Rosyth on the morning of 5 Aug.

A submarine west of Texel attacked a towed convoy without success.

The harbor entrance to Rosyth was temporarily closed on the morning of 4 Aug., obviously because of mines.

Otherwise no enemy operations, apart from planes which flew over during the night of 3 Aug.

Channel:

A submarine was sighted near the coast west of St. Malo.

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Enemy planes attacked motor minesweepers near Le Havre.

The British Admiralty announces the loss of the naval trawler CAPE FINISTERRE (347 tons) as a result of bombing on 2 Aug.

Own Situation

Foreign Waters:

No reports on the auxiliary cruisers.

Ships "33", "21" and "10" have been informed that in spite of various warning reports of raiders, the enemy seems to have taken no direct action so far.

Submarine U "A", operating in the Freetown area, reports that she is returning because of the state of her engines. After an operation lasting two days off Freetown, the submarine started on return journey by way of the Cape Verde Islands. She plans to proceed northwards from the Azores. (Auxiliary cruisers "33", "21" and "10" have been informed.)

It is very disappointing that the submarine is forced to return prematurely without having been able to operate off Freetown, which had just been reached after successfully taking on supplies from Ship "33".

Norway:

The HIPPER took the Finnish steamer ESTERTHORDEN in prize off the North Cape. The steamer is putting in to Tromsø with a prize crew.

Ship "7" reports having depth-charged a submarine, alleged to be an enemy one, 18 miles southeast of Vardø. Boat possibly destroyed (oil patch).

It is very unlikely that this was a British submarine, since radio intelligence has reported no enemy submarines in the North Cape area at present. It is possible, however, that Ship "7" attacked a Russian submarine.

Until further notice, air reconnaissance for the HIPPER and the three Special Group vessels (Ships "7", "18" and "47")

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will be made by a flight of the 5th Squadron, 196th Group operating from Tromsøe. The planes will fly in strips 150 miles wide to the limit of their range along the coast to the east. (Ship "45" is being informed).

North Sea:

The 6th Minesweeper Flotilla reports mines on Route "1" (brass cap mines). In the course of the search for U "25" (see Submarine Situation), submarine-chaser "175" struck a mine south of the point where British mines were found, and sank. Numerous other mines have been detected by echo-ranging sets. Check-sweeps are being made.

Enemy flights north of the West Frisian Islands, as far as the mouth of the Ems. There may be mines in the estuaries of the Elbe, Ems, Jade and Weser.

Repairs to the battleships: Naval (Ship) Construction Division states that repairs to the GNEISENAU will take about three months, since the damage below the waterline is much more serious than was previously thought. Repairs cannot be speeded up, as a second shift is impossible due to night air raid warnings and it is necessary to sink the dock daily. Estimated readiness for the GNEISENAU is therefore 31 Oct.

The SCHARNHORST will have to stay in dock for another 14 days (owing to interruptions from air raids and sinking of the dock). She will be ready on 19 Oct.

In view of operation "Seelöwe", Naval Staff attaches the greatest importance to the speeding up of repairs. An attempt must be made to advance the dates (at least one ship ready at the end of September), if necessary by dispensing with dock-sinking.

Channel/Atlantic Coast:

The 2nd PT Boat Flotilla broke off its operation and put in to Ostend (engine trouble on three boats).

Motor minesweeper flotillas continued sweeps in the Channel. The 4th Motor Minesweeper Flotilla was attacked by enemy bombers when entering Le Havre. No damage. The 38th Minesweeper Flotilla entered Boulogne.

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Air reconnaissance over the Atlantic from the western outlet of the Channel to the Bay of Biscay without result.

Skagerrak/Kattegat/Western Baltic:

Mine Situation:

A Danish steamer struck a mine in the Sound north of Copenhagen. A Norwegian steamer struck a mine south of Arendal and sank while in tow.

Transport traffic, escort and patrols without incident.

About 22 enemy planes were over Schleswig-Holstein - the Great Belt - Western Baltic. Single planes raided Kiel. No particular damage. - Minelaying suspected in:

Kiel Canal roads, Outer Kiel estuary, Eckernfoerde Bay, Great Belt (see radiogram 0700).

Submarine Situation

No changes in the operational area.

On return passage: U "59" to Bergen, U "99" and U "57" to Lorient.

Outward bound: U "37" west of the Shetlands (damaged by bombs, making for Lorient), U "38" Shetlands area, U "25" North Sea.

The latter has not replied to repeated calls. Route "1", used by this submarine, was searched by the 6th Minesweeper Flotilla. Four British brass-cap mines were swept (must have been there for some time, as they were covered with shells). The route is being searched again. It is feared that U "25" struck a mine on Route "1". Naval Staff states that this route has not been checked for mines for some time, so that the danger of minelaying having been carried out must be reckoned with. A thorough check sweep is in progress.

In Bergen: U "46", U "60", U "59".

In Lorient: U "30".

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Submarine Successes:

The British steamer GOGOVALE and another steamer were torpedoed and sunk west of the Hebrides.

Brief report of U "34" (put in to Wilhelmshaven on 3 Aug.) states that in the course of operations off the North Channel 1 auxiliary cruiser of 18,000 tons and 1 freighter of 7,000 tons in a convoy were torpedoed on 26 July and 1 freighter of 8,000 tons, 1 steamer of 6,000 tons and 1 tanker of 9,000 tons in the same convoy on 27 July. The convoy was broken up. The British submarine SPEARFISH was destroyed with the last torpedo on 1 Aug. One prisoner.

Air Situation

Nothing special to report.

Mediterranean

See Situation Mediterranean.

A British battleship and carrier formation is said to have left Gibraltar, after a short stay, bound for the Mediterranean. Probably more planes are to be flown to Malta from the carriers.

No special operations by the Italians.

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Items of Political Importance

Great Britain:

Lively discussions in the British press on the possibilities of a German invasion. The Fuehrer is said to have definitely decided on invasion. German preparations have progressed considerably but are not yet complete. It is possible that a German invasion will only be feigned. The use of numerous gliders for landing is anticipated. A German Air Force blitz is believed imminent. New moon and tide are favorable for landings. German landing preparations are going on in Dutch and Belgian harbors. Establishment of an artillery barrage on both sides of a route of attack on Kent is being discussed. Target fire described as very ineffective.

France:

Report from the Embassy in Washington. The aircraft carrier BEARN with more than 43 American planes and 75 of our own planes aboard is still in Martinique. The British Government is trying hard to acquire them and points out that Britain took over all French contracts in the U.S.A. when the French Armistice was signed. The American Government is trying to reach a compromise and has suggested that the BEARN be laid up in New Orleans until the controversy has been settled. The Americans plan to buy back the planes and deliver them to Britain later through private firms. So far the French Government has rejected all offers of mediation.

Finland:

Britain has asked permission to set up a British vice-consulate in Petsamo. The Finnish Government will consent. A Russian consulate has already been set up and permission to set up a German one requested.

Japan:

Further tension in Anglo-Japanese relations. Expulsion of prominent Japanese from Singapore. Japanese press antagonistic towards Britain.

U.S.A.:

After termination of the Havana Conference, which is

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considered a great success in the United States, the American press is again campaigning for more effective military assistance to Britain. The proposal to sell 40-60 modernized American World War I destroyers to Britain to relieve her great shortage of these craft is being discussed with approval. It is also suggested that American ports and dry docks should be placed at the disposal of British warships in need of repair.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. On the morning of 5 Aug. Chief, Naval Staff held a conference with Commander in Chief, Army in regard to operation "Seelowe". Commander in Chief, Army reiterated that the Army attaches the greatest importance to a "landing on a broad front", including Lyme Bay.

The Army is considering landing 1-1½ divisions by air in the vicinity of Lyme Bay to occupy a port for use in subsequent sea transport operations. The Army wishes to carry out the operation during the night. Chief, Naval Staff set out Naval Staff's opinion and referred to the difficulties which transport and landing on a broad front would entail, as already mentioned in the conference with the Fuehrer on 31 July. General impression: Commander in Chief, Army is not convinced of the impracticability of a landing on a broad front and is obviously also not convinced of the actual difficulties of the operation.

2. Report by Chief, Operations Branch on the Fuehrer's decision (as per OKW 33189/40 dated 1 Aug.): According to this report of Chief, Naval Staff on 31 July, stating that preparations for operation "Seelowe" could not be completed before 15 Sept., the Fuehrer decided as follows:

- a. Preparations for "Seelowe" are to continue and the deadline for Army and Air Force is also to be taken as 15 Sept.
- b. 8-14 days after the commencement of large-scale air raids, the Fuehrer will decide whether operation "Seelowe" will take place this year.

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- c. Even if it is decided not to invade in September, preparations are nevertheless to be continued, but in a manner which will not seriously affect our economy.
- d. Preparations for an operation on broad front are to continue despite the Navy's statement that it can only guarantee support on the narrow front.

This order clearly reveals the grave discrepancy in the attitudes of General Staff and Naval Staff.

In the course of the conference with the Fuehrer (31 July) Chief, Naval Staff clearly emphasized that, in his opinion, the operation on a broad front entailed such a great risk that he felt compelled to advise against it. The General Staff may, for its part, insist on its demands, but possibly does not yet realize the navigational and operational difficulties in a transport and landing operation of this kind.

Naval Staff presumes that Chief, General Staff managed to have the new order of Armed Forces High Command worded thus (after Chief, Naval Staff's conference with Chief, Armed Forces High Command) by referring to Army requirements on land. Naval Staff is not in a position to extend the scope of the transport operation beyond the limits set out in the latest communication to Army General Staff. Transport and landing operations can only be carried out successfully, if at all, in the area Boulogne - Dunkirk - Ramsgate - Beachy Head. All other considerations are based upon prerequisites which can by no means be reckoned with (absolute air supremacy, holding off the British Fleet, breaking down land defenses on the British coast, long spell of fine weather).

In view of this new directive and this morning's discussion with Chief, High Command, Army, Chief, Naval Staff has ordered that an attempt to reach an agreement with the Army is to be made by direct conference between Chief of Staff, Naval Staff and General Staff. Should the Army insist on its demand, a new conference must be held with the Fuehrer for a final decision.

3. Report of Chief, Operations Branch on directive No. 17 of 1 Aug. of the Fuehrer and Supreme Commander on air and naval operations against Great Britain.

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By this the German Air Force has been ordered to put the Royal Air Force and the aircraft industry out of action as soon as possible with all available forces. After temporary or local supremacy in the air has been gained, air warfare is to be conducted against harbors and especially against food supplies and stocks. Accordingly, air operations against enemy warships and merchantmen are of secondary importance (unless favorable possibilities for attack are offered). The German Air Force is to carry on the all-out attack in such a way that it may still at any time have sufficient forces available to support operations at sea if called upon. Intensified air offensive from 5 Aug.

At the same time, the Navy is permitted, under Directive No. 17, to carry out intensification of war at sea.

In Directive No. 17 enemy naval forces are stated to be less important than other objectives as targets for air operations. In the opinion of Naval Staff, however, operations against warships are also necessary as part of the intensified air offensive since attempts to disrupt the landing operation may be expected with certainty. The first result of air operations is to be awaited. Naval Staff reserves the right to make a demand to this effect to Armed Forces High Command.

The intensified measures for naval warfare have already been laid down in the new version of the "Directives for Warfare against Merchant Shipping" dated 27 July (see War Diary, Part B, Vol. V, Page 101); the date of their going into effect will be announced later. They provide for immediate, full offensive action against all vessels, including passenger ships in the area between the following points (except for a 10 mile strip off the coasts of the Irish Free State):

French Atlantic coast at 47° 30' N 2° 40' W
45° N, 5° W
45° N, 20° W
58° N, 20° W
62° N, 3° E
Belgian coast at 3° E.

(Exception made for ships flying the Irish flag.)

The area lies within the American closed zone which may not be traversed by American ships. Its western border coincides with that of the American closed zone. For

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considerations regarding the timely warning of neutrals before the start of intensified warfare against merchant shipping and on the question of the general announcement see War Diary, Part C, Vol. VIII.

During the evening the Foreign Office was asked by telephone to dispatch the notes regarding intensification of operations around Great Britain, that have been compiled in cooperation with Naval Staff, Operations Division; it was added that they should not be handed to the Governments concerned until special orders were issued.

At the same time it was requested that the German Foreign Minister be reminded to compile the relevant "DNB" statement and - if time allows - to submit the wording to Naval Staff before publication.

Statements by Bureau of Naval Armament, Underwater Obstacles Branch regarding the use of Ground Mines

According to captured information, the British came into possession of an aerial mine when a German plane crashed near Clacton on 30 April. The enemy thus acquired knowledge of the following:

1. "Bik" with reversed polarity needle-weakening contact.
2. Arming mechanism "Bik".
3. Delayed mechanism with soluble plug.

Thus the most important innovation at that time for counter-acting the enemy's defensive measures against German magnetic mines had fallen into enemy hands. However, the enemy's scientific research was already engaged on defense against the "Bik" with reversed polarity needle. Hence the capture of this mine was not a decisive blow, as it had not yet been equipped with the GE (secret device which causes the mine to explode when falling on land). Possession of the mine, however, was most valuable to the enemy for further developments. (For details see notes of Underwater Obstacles Branch in War Diary, Part C, Vol. VI.)

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Operational commands are advised of recent experiences in the use of ground mines by a supplement to "Instructions for the Use of Ground Mines" (in 1/Skl IE 11116/40 dated 5 Aug.). The effectiveness of our methods of using ground mines is confirmed by captured French secret material. The enemy is now able to clear magnetic mines with relatively high efficiency. The decisive step was his surprisingly quick invention of the degaussing equipment and its large-scale installation on warships and merchantmen. In future, ground mines are to be laid in shallow water, where the magnetic depth effect of the degaussing is doubtful. The use of ground mines confines enemy ships to certain lanes. Difficulty of check sweeps on narrow routes. Disruption of mine clearance work by the Air Force. Important factors are the laying of mines unobserved by the enemy, observance of the safety distance, simultaneous laying at as many different places as possible, making mine clearance difficult by means of period delay and delay action mechanism.

New non-contact firing "Fab III" ready for use. In operations against harbor basins, docks, sluices, aerial mines without "Bik" but with additional clockwork fuse are to be used. (For details see letter in War Diary, Part C, Vol. VI, "Mine Warfare".)

Situation 5 Aug.

Special Reports on the Enemy

Radio intelligence established the probable arrival of convoy HM 63 at the rendezvous (57° 09' N, 17° 00' W) on 5 Aug.

Central Atlantic:

According to an Italian report, Task Force "H", including aircraft carriers ARK ROYAL and ARGUS, is at sea in the Western Mediterranean. The RESOLUTION is in Gibraltar evidently damaged.

South Atlantic:

Radio intelligence concludes from current radio traffic that an operation by British forces in the South Atlantic, possibly against our auxiliary cruisers, is imminent.

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An exact insight is not yet possible.

The auxiliary cruiser ALCANTARA put out to sea from Rio on 5 Aug. after repairs to skin plating and pipe lines. According to a report from the Naval Attache, a decrease in her speed is to be expected. (The auxiliary cruisers have been informed.)

Northern Waters/North Sea:

Moderate convoy activity off the east coast. The Humber is temporarily closed because of mine danger.

Four new escort ships have appeared for the first time in home area radio traffic.

The Admiralty announces the loss due to a mine of the minesweeping trawler MARSONA.

During the night of 5 Aug. British bombers were over the North Sea - Heligoland Bight - Wilhelmshaven.

Channel:

Air reconnaissance detected the following ships in Portsmouth: in harbor: 1 large warship, 4 cruisers, 14 destroyers; in dry dock: 4 cruisers, several small vessels.

France:

Admiral Muselier, Chief of the French naval and air forces in Great Britain, has ordered that French planes are to carry the Tricolor and the Cross of Lorraine (crosses of St. Andrew and St. George superimposed) as identification markings. French warships are to fly a blue quadrangular flag with the Cross of Lorraine in its center in addition to the national colors.

Own Situation

Foreign Waters:

Ship "45" is still in the Barents Sea; rendezvous for passage to the east not yet received. The ship has been informed of the situation.

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No news from the other auxiliary cruisers. The ships have been informed of our own situation and reports on the enemy (see radiograms 1552, 2116).

Ship "10" has been informed of the rendezvous points for tanker RECUM in the waiting area "Fuerteventura" (in large grid square GE). Naval Staff will assign one of these points to the RECUM and Ship "10" in due course (radiogram 1732).

Norway:

The HIPPER, Ships "7", "18" and "47" in the northern waters/North Cape area for war against merchant shipping. The steamer ESTERTHORDEN, seized by the HIPPER, had aboard 1.7 tons of gold, cellulose and other goods, including 285 mail bags from the Scandinavian and Baltic countries for the U.S.A. (see also War Diary, Part C, Vol. VIII).

Troop transport traffic to Kirkenes is proceeding according to plan. It is intended to send more Army troops to northern Norway because of the unsettled Russo-Finnish situation.

North Sea:

Apart from numerous enemy flights during the night of 5 Aug., nothing special to report.

Channel/Atlantic Coast:

A sweep by the 1st PT Boat Flotilla during the night of 4 Aug., encountered strong patrol vessel defense east and west of the Isle of Wight. The boats came under accurate triple star shell fans and machine-gunfire. Moreover, the operation was impeded by thick fog.

Minesweeping was continued between Dunkirk and Le Havre, with a view to early resumption of our own coastal and transport traffic. The 38th Minesweeper Flotilla and 2nd Motor Minesweeper Flotilla were out on operations. The 4th Motor Minesweeper Flotilla swept the Le Havre - Cherbourg route.

Commanding Admiral, France, has been instructed to use motor boats for the sea-rescue service. (About 50 motor boats may be reckoned with at present.)

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Commanding Admiral, France intends to put Channel ferry NEWHAVEN (1,800 tons, 22 knots, five 7.5 cm. guns, four machine-guns) and motorship CARSOAR (700 tons, 14 knots, one 7.5 cm. gun, two machine-guns) into service for operations against merchant shipping in the Biscay area. Work is in progress.

Commanding Admiral, France reports that information so far received on merchant traffic off the coast of northern Spain is very unreliable. Shipping traffic from and to Bilbao is apparently carried on only by night, using the route to Finisterre inside Spanish waters. Nevertheless, operations against merchant shipping in the southern part of the Bay of Biscay, with the support of air reconnaissance, are deemed necessary and worthwhile.

Skagerrak/Kattegat/Western Baltic:

During the night of 5 Aug. numerous enemy planes flew over Jutland, Schleswig-Holstein and the Little Belt up to Moen. Mines and bombs were observed to have been dropped.

Minesweeper M "75" reported a heavy mine explosion off Helsingoer, while carrying out a check sweep.

Transport traffic to Norway uneventful.

Submarine Situation

In the Atlantic operational area: U "A", U "52", U "56",
U "57", U "58".

Outward bound: U "37" west of the Orkney Islands, U "38" west of the Shetlands, U "60" in the northern North Sea, U "25" in the central North Sea?

U "102" and "122" are reported missing as of 5 Aug.

Commanding Admiral, Submarines has ordered the following disposition west of the North Channel:

area "A": north of 55° 45' N, concentration west of 11° W;

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area "B": concentration east of "A";

area "C": south of 55° 45' N, concentration west of 11° W;

area "D": concentration east of "C".

U "56" is in "B", U "58" in "D" and U "38" is proceeding to "A" and "C".

Submarine Successes:

U "52" reports sinking three steamers totaling 16,875 G.R.T. out of an incoming convoy on 4 Aug. The submarine is returning home because of damage caused by depth charges.

Air Situation

See Air Force Events of the Day.

No special operations.

Mediterranean

See Situation Mediterranean.

Task Force "H" is again at sea in the Western Mediterranean, evidently to transfer more planes to Malta from the carriers.

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Items of Political Importance

Great Britain:

Discussion continues in the British press as to the method and time of a German invasion. There are conjectures in regard to large-scale operations by the German Air Force. It is stated that troop-training maneuvers are being held in remote areas of Germany, similar to those held before the attack on Norway. Great activity in Dutch and Belgian harbors is said to have been observed. In order to pacify the people in view of defense measures, British propaganda now tends to belittle the prospects of invasion. British forces are now on maneuvers with the aim of improving defensive readiness. At the most important centers of the defense zone, echelon formation extends up to 150 km. Defense installations are said to be well camouflaged. The maneuvers are based on the assumption that Germany will employ for the landing a great number of vessels having a low draught, PT boats and also fairly large vessels.

British garrison troops have been ordered home from British possessions in the western hemisphere and replaced by Canadians. Similar steps have been taken in Iceland. The Charge d'Affaires in Washington points out the political significance of this British measure, since it is doubtful whether, if these areas should be occupied, they would, under the Havana agreement, still be regarded as under control of a European power.

The Charge d'Affaires in Washington reports that the British are trying to have the administration of Martinique taken over by the U.S.A. in accordance with the Havana resolutions. In this way the British hope to acquire about 100 planes now on board the aircraft carrier BEARN and 250 million dollars in French gold.

U.S.A.:

The German Ambassador in Panama reports that the American General Staff is counting upon Roosevelt's re-election and is making preparations for the United States' entry into the war in February 1941.

Rumania:

After preliminary difficulties (concerning Silistra), the Rumanian-Bulgarian discussions in Sofia on the cession of

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the Dobruja are reported to have led to yielding on the part of Rumania. Agreement was allegedly reached on 5 Aug.

On the afternoon of 5 Aug. Chief, Naval Staff left for France to inspect naval bases and hold conferences. (Paris - Cherbourg - Brest - Lorient - La Baule - St. Nazaire - Paris.)

An order has been received from Armed Forces High Command on the subject of Army and Navy support for large-scale Air Force operations. The Navy is to reinforce the sea-rescue service in coastal waters with every suitable craft. The possibility that the enemy may recognize the Air Force operation as a preparation for invasion and may send strong naval forces into the Channel area must be taken into account by sending out submarines and by other operational measures to the greatest extent possible consistent with the "siege" that must also be carried out in this period.

The use of submarines, as desired by Armed Forces High Command, is impracticable since the few available cannot be withdrawn from their main task, which is war against merchant shipping in the Atlantic.

Special Items Concerning Operation "Seeloewe":

In view of the continuous threat of air attack to our minesweeping forces in the Channel, Armed Forces High Command, Commander in Chief, Air Force and Commander in Chief, Army have been informed that minesweeping in the Strait of Dover and the adjacent sea areas is not yet possible. The same applies to preparations for our minelaying in the areas planned. Thus the deadline fixed for operation "Seeloewe" is already jeopardized.

Situation 6 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

There are no new reports on convoy traffic. On the evening of 5 Aug. it was announced that the lights from Barry Head to Trevoose Head are to be extinguished. The

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lights at Lizard Wolf Rock and Longships are to remain burning.

Central Atlantic:

Task Force "H", which supposedly left Gibraltar, westward bound, is presumed from radio intelligence to be in the Atlantic. An Italian report indicates that the British forces may be in the zone of the Canaries. Naval Staff considers a surprise action by the British against the French base at Dakar, as surmised by the Italians, to be unlikely. Our own Radio Monitoring Service thinks it possible that Task Force "H" is proceeding northwards to home waters.

South Atlantic:

The urgent radio traffic of British forces in the South Atlantic, which seemed to indicate impending operations against our auxiliary cruisers there, was evidently connected with the sinking or severe damaging of a steamer in the South Atlantic area.

On 5 Aug. at 1212 the British steamer GRODNO received orders in a radio signal from Commander, South Atlantic to British merchantmen in the African area to break radio silence and submit a report as to the number of boats and survivors taken aboard, the state of steamer CAPE ST. GEORGE and whether there is any other wreck in the vicinity.

If the supplying of submarine U "A" by Ship "33" took place as planned on 18 July, the sinking of the steamers may be a result of Ship "33"'s operations, possibly due to the laying of mines, as planned, off Cape Francis. It might, however, also be due to the minelaying operations of Ship "16" off Cape Agulhas. Intercepted radio traffic does not clarify this point.

In view of the alarm report at noon on 5 Aug., the DORSETSHIRE and the CUMBERLAND (probably in the South Atlantic) received two urgent operational radio signals at about 1800 on 5 Aug., which were also directed to Commander, South America Division aboard the HAWKINS. Other urgent operational radio signals were sent to cruiser DRAGON and gun boat BRIDGEWATER (probably in the central part of the South Atlantic) and to the cruiser DELHI and auxiliary cruiser MALOJA in the Freetown area, probably escorting convoy RS "5" to the East Indies.

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It is not clear whether and in what direction operations by the South Atlantic forces may be intended. Since only a small force is involved, a systematic search for our auxiliary cruisers is by no means likely.

It is possible that, to protect his routes in the South Atlantic, the enemy may institute a stronger patrol of the main shipping routes or a system of convoys for especially important transports. Naval Staff is of the opinion that, apart from unfortunate incidents that can never be entirely excluded, the danger to our auxiliary cruisers from counter-actions by enemy escort forces is insignificant, provided the operational areas are changed as planned and at the proper time.

Indian Ocean:

The cruiser HOBART was sighted off Cape Guardafui on 4 Aug., northward bound. The cruiser LEANDER entered Aden on 31 July.

North Sea/Northern Waters:

Nothing special to report. The mouth of the Humber has been re-opened. Submarine PORPOISE left Rosyth for an operation. The British Admiralty announces the loss of naval trawlers OSS ALDIAN and DRUMMER.

Channel:

Air reconnaissance during the night of 6 Aug. Two destroyers sent out against our PT boats.

France:

Official French sources confirm the news that incidents occurred between the British and French a few days ago in the French colonies of the Cameroons and Madagascar. The Commander of a British cruiser was forced to withdraw the British embarkation forces and to continue patrol of the Cameroons outside territorial waters.

The French have asked, through the Armistice Commission, for permission to run a mail steamer from Tamatave to Saigon from 7 Aug. in order to repatriate 2,500 Indo-Chinese. Naval Staff has refused permission.

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Own Situation

Foreign Waters:

Ship "16": Submarine U "A" reports that Ship "33" received the short radio signal from Ship "16" on 14 July. At that time the auxiliary cruiser was at 6° S 77° E. Endurance at sea more than 85 days; 30,000 G.R.T. sunk to date; Naval Staff has acknowledged receipt of this report to the ship and congratulated her on her successes so far.

Ship "36": The Attache in Tokyo reports: Lima wired on 31 July: Prize passes Fernando Noronha on 8 Aug. Tanker WINNETOU expected to put in to Kobe on 28 Aug., bound northwest. Unable to contact Germany. Signed: Ship "36".

These reports from Ship "16" and Ship "36" show that radio communication with the auxiliary cruisers operating in the Indian and Pacific Oceans is not assured. An improvement is expected from the re-organization of radio traffic with the auxiliary cruisers now in progress. The possibility of radio reception via the Naval Attache, Tokyo is under examination.

Receipt of her radio message was confirmed to Ship "36". From her report it appears that the auxiliary cruiser is able to pick up radio traffic from home at routine times.

As regards experiences, sea endurance and supply demands of Ship "36", a more detailed report from the WINNETOU must be awaited.

Auxiliary cruisers Ships "10" and "33" have been informed that specially urgent radio traffic was observed in the afternoon of 5 Aug. (see radiograms 1451, 1958). Previous plans for the tanker RECUM and the supplying of Ship "10" in grid square GE remain unchanged as no danger to the ships in the assigned area is anticipated.

Norway:

The HIPPER, Ships "7", "18" and "47" on operations against merchant shipping in the North Cape area. The HIPPER reports completion of refueling; position on 7 Aug. off the North Cape. Further support of the operation by air reconnaissance from Tromsø and by her own planes. Since

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the HIPPER's engines require an overhaul that will take at least four weeks (the defects cannot be remedied by repair ship HULSCARAN), Group West has been ordered to withdraw her to Wilhelmshaven for dockyard overhaul upon conclusion of this operation, so that her operational readiness may be restored by 15 Sept. (with a view to operation "Seelowe"). However, the ship is not to call in again at Trondheim on her return trip. Supply ship DITHMARSCHEN is likewise to be recalled.

With regard to the report that an alleged enemy submarine was engaged by Ship "7", Group West and Commanding Admiral, Norway have received the following instruction to be forwarded to ships operating in northern waters:

"The possible presence of Russian submarines in the area of the outer Varanger Fjord east of 31° E, outside Norwegian territorial waters, must be kept in mind when anti-submarine action is contemplated. At the present time there is nothing to indicate the presence of British submarines in northern Norway."

Minesweeping and coastal traffic off the Norwegian coast is being continued according to plan. South of Mandal a tug rammed the conning-tower of an enemy submarine; submarine chase has been ordered.

North Sea:

Nothing special to report.

Enemy planes flew over the Heligoland Bight and dropped bombs on Sylt, Brunsbuettel and over the Elbe; no special damage. Attacks were made on our patrol boats in the southern North Sea without result.

In view of past and continuing German minelaying operations, control of sea communications along the east coast from the north to the river Thames has become largely dependent on continuous check sweeping of the fixed convoy route or any newly marked alternative routes. This makes it appear advisable, in order to complicate check sweeps and improve the prospect of mine hits, to draw the enemy away from the swept route and on to the mines. This could be achieved by occasionally sinking the route markings (sea marks or auxiliary sea marks). It remains to be seen to what extent this would render our own operations against convoy

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traffic more difficult. This measure, however, cannot be carried out in sea areas where buoys are essential for our own use in connection with operation "Seelowe" (area south of the Thames estuary, including the northern outlet of the Downs). Group West has received orders to this effect.

Channel/Atlantic Coast:

During the night of 5 Aug. the 2nd PT Boat Flotilla carried out a minelaying operation.

Minesweeping in the Zeebrugge - Cherbourg areas was continued. Operations by the 2nd and 3rd Motor Minesweeper Flotillas and the 38th Minesweeper Flotilla. Individual boats carried out special exercises with the Army. Boat "3407" of 34th Minesweeper Flotilla struck a mine off the Hook of Holland and was lost.

Skagerrak/Kattegat/Western Baltic:

Enemy reconnaissance in the morning over the northern point of Jutland and Kattegat between Skagen and Laeso. Enemy flights during the night of 5 Aug.; bombs were dropped in the areas of Kiel, Travemuende and Schlienuende. Mines are suspected in the area of Copenhagen and in the Kattegat. On 5 Aug. ground mines were cleared in the Little Belt off Brandoe.

Minesweeping and transport traffic to Norway as planned. Nets of the Gjedser barrage were taken up in the area of Gjedser lightship.

Submarine Situation

In the operational area: U "A" (position approximately off Cape Blanco and return passage via grid square DH 41, 300 miles west of Madeira; the submarine met only moderate traffic in the Cape Verdes area); U "52", "56", "58", "30", "38" en route for Lorient; U "99", "57", "37" in Lorient; U "46", "59" in Bergen; U "60" outward bound west of the Orkney Islands, proceeding to operational area off the Minch.

During operation "Seelowe", Commanding Admiral, Submarines plans to transfer his office to the Paris area close to

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Group West. Naval Staff has agreed. This does not affect his later transfer to Lorient.

Merchant Shipping

An agent's report gives the following general information on British merchantmen:

The brown cross on the hull indicates equipment with anti-magnet cable.

All British merchantmen are, or will be, equipped with anti-aircraft guns. Sandbags on all ships have been replaced by concrete plates, which have proved effective against machine-gunfire.

Large posters are hung in the crews' quarters on British ships warning the men against careless talk (shipping movements, courses, meetings at sea, convoys, conditions in British harbors).

If a German merchantman is sighted, this is to be seized, even by an armed British merchantman, if no warship is within reach. At least one Naval Reserve Officer is carried on every merchant ship.

In a letter to the Ministries of Transportation and Economics, Naval Staff has reviewed the prospects for German merchant traffic:

As the Ministry of Transportation has been informed repeatedly, prospects for German overseas traffic have materially increased since the defeat of France. German ships coming from overseas to French Atlantic ports are very unlikely to be interfered with, as there is no enemy control zone to be passed like that between Greenland, Iceland and the Faroes and the ships, coming from the ocean, can head for the various harbors.

Even the break-through to Norwegian harbors during the dark winter period is considered easier than before, since the British have fewer patrol forces available for this area than before. The British bluff of announcing a declared area on 11 July 1940 in the vast area between

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the Shetlands and Greenland indirectly admits this fact. The present patrol of the Norwegian coast itself is nothing compared to earlier British efforts.

Departure from neutral harbors has become less dangerous for German merchantmen, inasmuch as the enemy has considerably fewer patrol forces at his disposal for this purpose, since the elimination of the French naval forces. As long as Great Britain does not acquire new allies with powerful navies, these more advantageous conditions of sailing from overseas ports will persist. Besides trans-ocean traffic, new possibilities for German shipping have also developed in the Mediterranean since the defeat of France. This applies especially to the route along the Mediterranean coast of Spain to the west coast of Italy, in particular from Barcelona to Genoa. German traffic from Italian and Spanish ports to Italian and French ports in North Africa could also be considered. In the Adriatic, the traffic situation is still considered favorable.

In the Black Sea conditions are unchanged. Surprises are no longer likely here.

Traffic from the Baltic Sea to Norway or Murmansk is likewise considered to be possible again.

It is to be hoped that the Ministry of Transportation and the Ministry of Economics will take note of the favorable prospects for a resumption of merchant traffic as revealed in this report, and that they will exploit them as far as the shipping situation will permit.

Air Situation

See Air Force Events of the Day.

There were no special activities.

During the night of 5 Aug., the 9th Air Division carried out numerous minelaying operations off British harbors. It is now revealed that the 126th Bomber Wing dropped the 1,000th aerial mine in British waters during the night of 26 July. The formation deserves special commendation for its indefatigable and courageous activity under most difficult weather conditions and against strong defense.

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Mediterranean

Minelaying by an Italian cruiser and destroyer formation in the Sicilian Channel without incident. Task Force "H" is in the Atlantic. All battleships of the Alexandria base are assembled in harbor.

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Items of Political Importance

Great Britain:

According to a dispatch to Sofia from the Bulgarian Ambassador in London, Molotov's speech has had a very depressing effect there. The leftists are disconcerted. It has allegedly strengthened peace tendencies in the City. The losses suffered during the latest German air attacks in the Channel are very serious. There is great concern over the situation in Egypt where neither troops nor material are considered adequate.

Finland:

Increase of tension with Russia. Finland is expecting Russia to make heavy demands very shortly (including admission of the Communist Party).

For Situation in the Balkans, see Political Survey No. 183.

A review of the political situation in Europe, covering France, Great Britain, the supplementing of the British blockade by the Navicert system, in the Baltic States, Russia, the Balkans and Turkey, has been forwarded to the forces in the Atlantic (see radiogram 1600).

Special Items regarding Operation "Seelowe"

Chief of Staff, Naval Staff, Chief, Operations Division and Chief Specialist, Great Britain (Fleet Operations Section, Great Britain) flew to Fontainebleau for a conference with Chief, General Staff. Discussions were held in the General Staff's special train on the way to Versailles from 2030 to 2330. For details of the discussions, see file "Seelowe".

As expected by Naval Staff, no agreement was reached. Chief, General Staff declared that Naval Staff's suggestion to

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confine the crossing of the troops to a narrow front on both sides of the Dover Strait was unacceptable for reasons of land strategy. General Staff considers it essential for a landing to be made at least in Brighton Bay (flanking). For similar reasons, General Staff attaches great importance to a landing in the area of Ramsgate - Deal. General Staff still counts on the advantage of tactical surprise, an opinion which Naval Staff does not share. It is most probable that the enemy will detect our activities in good time.

Naval Staff again explained its viewpoint in regard to a landing on a broad front and emphasized that the difficulties of landing in Brighton Bay are identical with those of landing in Lyme Bay, insofar as weather conditions and the enemy situation, as well as possibilities of unloading and supply are concerned.

General Staff most definitely rejected the Navy's suggestion and stated that, from the viewpoint of the Army, a landing on a narrow front is unjustifiable both tactically and operationally. Against this, Naval Staff pointed out that, in the same way from the naval standpoint, a landing on a broad front would have to be rejected.

Following this fundamental statement, detailed technical matters were discussed. General Staff insisted that the operation must be carried out at dawn, referring to the Fuehrer's decision.

Since no agreement between General Staff and Naval Staff resulted from these discussions, a new conference with the Fuehrer will be necessary. (For details see memorandum.)

Situation 7 Aug.

Special Reports on the Enemy

Great Britain:

Atlantic:

No special reports.

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No new position reports from the South Atlantic.

Commander, South Atlantic advised South Atlantic Station, North Atlantic Station and Commander, America-West Indies on the morning of 6 Aug.:

"It is reported that a merchantman has been sunk by a submarine."

Possibly a success by submarine U "A".

Northern Waters:

According to a report from the 2nd Mountain Division, three British destroyers and one auxiliary cruiser were sighted 40 miles south of Sandnesjoen (area of Mosjoen) during the night of 6 Aug. This is improbable. Investigation is in progress.

North Sea:

On the morning of 7 Aug., anti-invasion exercises were held on the southeast coast of Great Britain. The following places were mentioned in radio traffic: Birchan, Newton, Stubborn Sand.

Minesweeping trawler RIVER CLYDE struck a mine and sank.

Air reconnaissance detected lively convoy activity off the southeast coast.

Own Situation

Atlantic:

The crew of a steamer that entered a U.S. port on 5 Aug. claimed to have sighted a German merchant raider or her depot ship off Cape San Roque (Brazil) 15 days ago; the ship in question circled round the steamer and then proceeded to the south. Probably Ship "10".

Ship "45": Still in the Barents Sea. The Naval Attache, Moscow reports that the first Russian convoy is icebound, so that the second unit has not yet left. The ship has been informed that departure will be delayed.

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Ships in the Indian and Pacific Oceans:

The Naval Attache, Tokyo has suggested that radio traffic be sent via the Embassy in Tokyo in order to establish a reliable connection between the auxiliary cruisers and the home area. Establishment of a permanent radio service with the aid of supply ship radio operators and forwarding of radiograms received to Naval Staff is practicable. The Naval Attache has received instructions to this effect.

Ships in the Atlantic have been advised that for the time being radio traffic in the South Atlantic does not show any special signs and that an organized search operation by the few enemy forces against our auxiliary cruisers is not likely. On the other hand, patrol of shipping lanes may be reinforced. Formation of convoys for important transports on the main shipping lanes is possible (see radiogram 2021).

Norway/Northern Waters:

In accordance with the instructions of Naval Staff, Group West has ordered the HIPPER to continue her operation up to 0700 on 8 Aug. and then to return home with full bunkers without calling again at Trondheim. The ship will refuel today and will be in the area of the North Cape early on 8 Aug.

The order to return home and receipt of a still unconfirmed report from Group West on the alleged departure to the north of enemy forces from the Scapa area, have given rise to a large number of long radio messages from the HIPPER, referring to evaluation of the situation and details of return passage. In view of the possible enemy situation, the HIPPER submits considerations regarding withdrawal to Base North or even the "White Sea" or Kara Sea.

In the opinion of Naval Staff much of the contents of the radio messages was completely superfluous and involves matters for which the Commander is in no way responsible, but which come under the sole responsibility of Group West (and are consequently already being handled by the Group). Furthermore, the sudden and unusually heavy radio traffic in the North Cape area must attract the special attention of enemy radio intelligence and might thus have serious consequences for the ship's return passage.

(For Group West's order to the Air Force on return of the

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HIPPER, see radiogram 1915; for enemy situation see Radio Monitoring Report 0510.)

North Sea:

The minelaying formation consisting of the ROLAND, BRUMMER and COBRA, escorted by six torpedo boats, under Commander, Patrol Vessels, West, Captain Schiller, left in the morning to lay the first barrage "Suedwest". By evening the formation was north of Ameland. Air reconnaissance over the southern part of the North Sea and in the northern part of the Hoofden, as well as close escort of the formation and air patrol line west of the minelaying area, as planned. General weather situation favorable for the operation. (For order of Commander, Naval Air, West see radiogram 0000.)

Channel/Atlantic Coast:

Additional report on minelaying operation by the 2nd PT Boat Flotilla during the night of 5 Aug.: 9 mines and 12 explosive buoys laid west of Outer Gabbard (grid square 7932). Contact with an enemy patrol vessel. Nothing special to report. Following a report from Cape Gris Nez observation station on the sighting of a convoy off the British coast south of Dover, course southwest, the 1st PT Boat Flotilla was sent out on operation. Result is not yet known.

The 2nd and 4th Motor Minesweeper Flotillas and the 38th Minesweeper Flotilla continued minesweeping off the French/Belgian coast. Some of the motor minesweepers are in readiness for sea-rescue service. Two groups of motor minesweepers and minesweepers are carrying out special exercises with the Army as part of the preparation for operation "Seeloewe" (Commander in Chief, Army at Le Touquet).

The number of enemy flights over the Dutch, Belgian and French coasts is increasing. Admiral, Channel Coast reports enemy air reconnaissance by day and by night. It is presumed that the enemy is now attempting to gain a clear picture of German preparations on the Channel coast, establishment of batteries and measures in the harbors. Mines are believed to have been dropped off the river mouths.

Skagerrak/Kattegat/Western Baltic:

Mine Situation:

Patrol boat "1501" struck a mine off Frederikshavn and sank.

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Transport traffic and mine check sweeps without incident.

Enemy flights over north Jutland into the Kattegat and Skagerrak. Dropping of bombs or mines was not observed.

Submarine Situation

In the Atlantic operational area: U "A", U "56", "58",
"30", "37", "38".

Of these, U "38" occupies area "A" north of $55^{\circ} 45' N$, concentrating west of $10^{\circ} W$, U "56" the area to the east thereof, U "30" area "C" south of $55^{\circ} 45' N$, concentrating west of $11^{\circ} W$, U "58" the area to the east thereof.

Outward bound: U "60" west of the Hebrides.

In Lorient: U "99", "57".

On return passage: U "52" area of the Shetlands.

Commanding Admiral, Submarines has ordered that submarines may no longer proceed through the Fair Passage, as underwater location or hydrophones are suspected in this area.

Submarine Successes:

The Admiralty announces the loss of the steamer ACCRA (reported by radio intelligence on 26 July). Contrary to the American atrocity report, the Admiralty expressly states that no children were on board.

The steamer MOHAMED ALI EL KEBIR was torpedoed west of the North Channel.

Air Situation

See Air Force Events of the Day. Nothing special to report.

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The 9th Air Division laid mines off harbors in the Bristol Channel and on the Channel and southeast coast.

Mediterranean

Nothing special to report.

Merchant Shipping

The British Admiralty announces that 18 British ships totaling 65,601 tons and 2 Allied ships totaling 7,090 tons were lost during the week 22-29 July.

Up to 29 July the German merchant navy is reported to have lost 980,000 tons and the Italian merchant navy 354,000 tons.

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Items of Political Importance

Great Britain:

By continuous reference to the coming famine "brought about by Germany" in the occupied territories, British propaganda is trying to arouse the population in these areas against Germany. Minister Greenwood:

"Germany is forced to rob the peoples of the occupied countries in order to feed her own people."

British air raids would reduce the efficiency of the German economy and industry to an ever-increasing extent.

France:

A French report states that the United States Ambassador asked, in Roosevelt's name, that the British Government grant passage to American transports carrying food for the people in non-occupied territory. Churchill is said to have refused.

A Government decree institutes the reform of the French colonial administration in Africa. Equatorial Africa becomes a single colony under the jurisdiction of a High Commissioner. Dakar is to have its own administration under special representatives of the Minister for Colonial Affairs. Establishment of a West African Government and another to be set up for the possessions in Central Africa. While leading circles in North Africa (such as the Governor of Tunis, Admiral Estera, Admiral Abrial in Algiers, General Nogues in Morocco) are backing Petain, the Government has encountered further difficulties with the Governor of the Cameroons. Situation in French Somaliland still obscure.

British publications express apprehension at Germany's interest in Dakar. The possibility of German air landings (possibly in connection with the present evacuation by air of German internees from French West Africa) is the subject of lively discussion. Air transportation of troops from Libya is considered possible. The strategic importance of Dakar is specially emphasized and the danger to the British possessions in West Africa in case of a German action is pointed out. The Italians consider it possible

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that these propaganda statements may be a pretext for a British occupation of Dakar.

Naval Staff, Operations Division, Staff Officer, Operations Branch (Atlantic) visited Dakar from 27 July to 7 Aug. at the request of the Armistice Commission, in order to investigate conditions there, shipping in port, development of the political situation in the French West African colonies, state of naval installations, the RICHELIEU, defensive readiness, etc. For details, see report on the trip in file "Armistice, France".

East Asia:

According to reports from German diplomatic representatives, Chiang Kai-Shek is determined to improve relations with Germany (possibly also with a view to gaining German support later on as a mediator).

Japan:

The Japanese Government is apparently endeavoring to avoid further straining of Anglo-Japanese relations.

Situation 8 Aug.

Chief, Naval Staff returned from a tour of inspection in France (5-8 Aug.). After a conference with Commanding Admiral, France, Chief of Staff, Naval Staff will fly back to Berlin.

Special Reports on the Enemy

Great Britain:

North Atlantic:

According to radio intelligence, the old battleship BARHAM is on escort duty on the North Atlantic route. The auxiliary cruisers CHESHIRE, CELICIA and CHITRAL are believed to be west of Ireland.

Part of Task Force "H" (probably the HOOD, VALLIANT, ARETHUSA, carrier ARGUS and five destroyers) is obviously

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also in the North Atlantic, probably in the area west of the Channel or Ireland for protection of important convoys.

Submarine NARWHAL is escorting a convoy putting out from Halifax.

Central Atlantic:

Intelligence Center, Spain reports the arrival in Gibraltar of ARK ROYAL, ENTERPRISE and four destroyers coming from the west.

South Atlantic:

On 7 Aug. there was again very heavy and, for the most part, urgent radio traffic between Freetown and the ships in the South Atlantic. Commander, South America Division and the East Indies Squadron also figure in the radio traffic. This traffic may be regarded as a result of the operations of our auxiliary cruisers and is possibly also connected with protection of the important convoy RS 5 bound for Aden.

The Admiralty issued the following instructions to merchant shipping on 8 Aug.:

Raiders are trying to jam distress signals; they use two types of transmitters, a jammer and MARCONI 1.5 kw. Rotary. British merchantmen which pick up deliberate jamming are ordered to attempt radio direction-finding and to transmit a coded radiogram giving their own position and radio direction-finding; if radio direction-finding fails, a coded radiogram should be sent, giving position and the fact that jamming was heard, together with details.

North Sea/Northern Waters:

The assumption that heavy British naval forces from the Scapa area were at sea has not been confirmed. There are no indications of this.

Commander, 15th Cruiser Squadron planned to enter Scapa on the morning of 8 Aug.

Commander, 4th Cruiser Squadron was detected at sea in the Scapa area.

According to radio intelligence there are about 11 British submarines at sea at the moment in home waters.

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Channel:

Air reconnaissance reports: in Portland 2 cruisers, in Portsmouth 1 battleship, 2 cruisers, 22 destroyers, torpedo boats and minesweepers (5 destroyers and 5 steamers in dry dock). Destroyer patrol off Falmouth, convoys off Cromer and southwest of Selsey.

France:

The Admiralty has given permission for a number of merchantmen to sail from Dakar after their cargo has been unloaded.

Fort-de France has been advised that planes aboard the BEARN cannot be re-purchased by the manufacturer, as had evidently been suggested by the American commission.

Own Situation

Foreign Waters:

There are no reports from the auxiliary cruisers.

According to Transocean and Reuter dispatches, the British steamers HIGHLAND BRIGADE (14,000 G.R.T., port of destination Rio) and KHEMENDINE (7,769 G.R.T., port of destination Rangoon) are overdue.

It is assumed that both steamers have been seized or sunk by our auxiliary cruisers.

Norway:

The cruiser HIPPER is on return passage (see radiograms 1252 and 2133). Ships "7" and "47" were stopped by Russian destroyers and had to identify themselves as German naval vessels (for summary report see radiogram 1615). Ships "7", "18" and "47", operating in the area of the North Cape, have been ordered to move further away into the area north and northeast of Vardoe, in order to avoid any encounter with Russian forces.

Commanding Admiral, Norway now reports an unsuccessful bombing raid by a British plane on the Isle of Fedje (northern entrance to Bergen) at noon on 7 Aug., and an attack by eight dive-bombers on oil tanks south of Bergen

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in Grimstadt Fjord: 600 tons of oil lost by fire.

North Sea:

After successful minelaying, the minelaying formation put in to Cuxhaven at 1700. Minelaying was broken off before the projected southern point had been reached because a rocket signal had been sighted and enemy planes flew over the unit several times at low level. Thus, only two thirds of the barrage have been laid. Group West reports that barrage "SW 1" thus extends from 53° 27.8' N, 3° 46.5' E to 53° 17.5' N, 3° 36.5' E. According to radio direction-finding and dead reckoning the navigational position is accurate to $\frac{1}{2}$ a mile.

Channel/Atlantic Coast:

During the night of 7 Aug., the 1st PT Boat Flotilla made a sortie into the area southwest of Beachy Head. A convoy escorted by one destroyer and eight escort vessels was attacked. Despite heavy defense by destroyers and escort vessels the boats succeeded in sinking three steamers totaling 14,000 tons, and setting fire to a tanker of 1,000 tons. An excellent success. The British Admiralty falsely reported one PT boat sunk and another damaged. Three British coastal vessels are said to have been torpedoed.

Minesweeping was broken off because of the weather. The 38th Minesweeper Flotilla carried out special exercises with the Army.

Skagerrak/Kattegat/Western Baltic:

During the night of 7 Aug., about 15 enemy planes flew over the Western Baltic Sea. Mines are suspected in the Great Belt, outer Kiel estuary and Flensburg estuary.

Transport traffic was carried out as planned. Nothing special to report. The cruiser LUETZOW has been decommissioned, as her personnel is to be employed in connection with operation "Secloewc"; repair work is being continued.

The office of Group Baltic transferred to Wilhelmshaven today in order to take over the work of Group North.

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Submarine Situation

U "58" on return passage. U "60" transferred operational area to the North Channel taking up position in area "B". U "A" was ordered to proceed west of 20° W, since north-south traffic is to be expected there.

Put out for the operational area on 7 Aug.: U "48" from Kiel, U "65" from Wilhelmshaven; on 8 Aug.: from Bergen U "46" and U "59". Thus there are in the operational area: U "A", U "56", U "60", U "30", U "38", "37" (the latter bound for Lorient); on return passage: U "58" and U "52" (southern North Sea); on passage: U "46" and U "59" northern North Sea, U "48" and "65" central North Sea.

Submarine Successes:

Radio intelligence intercepted a report on the sinking of an unidentified ship west of Ireland.

U "57" reports the sinking of three steamers totaling more than 16,000 tons.

Air Situation

See Air Force Events of the Day.

On the basis of a reconnaissance report, strong dive-bomber formations were sent out against convoy traffic in the Isle of Wight and Portland areas. The Air Force reports 9 steamers totaling 30,000 tons sunk and numerous others damaged (the size of the steamers may have been over-estimated). During fierce air battles over the Channel, 37 enemy planes were shot down and 12 of ours were lost.

Mediterranean

See Situation Mediterranean.

Special Items:

Submarines returning from the Madeira - Canaries area report that they did not encounter any enemy or suspicious merchant

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shipping in the operational area. The Straits of Gibraltar were passed without difficulty, so that restriction of passage to the new moon period only is canceled.

At present there are two Italian submarines on operation in the area between 30 and 40° N up to 30° W. Two further submarines are en route. The sending of further submarines will depend chiefly on the result of the inspection of French bases by the Italian commission.

The complete lack of success by the submarines operating in the Atlantic is undoubtedly due to unwise commitment. This is regrettable, since it is not calculated to increase the enthusiasm of the Italian submarine arm. Immediate transfer of the Italian submarines to the Atlantic coast of France and the influence of our Commanding Admiral, Submarines on their operational employment is most urgently desired with a view to increasing the efficiency of the Italian submarine arm.

Colonial Warfare:

The Italian attack on British Somaliland has begun successfully; Zeila has been occupied. The troops are advancing on Berbera.

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Items of Political Importance

Great Britain:

A report from Switzerland on conditions in Great Britain states that certain Court and City circles are ready to come to terms; however, the British people as a whole do not show any willingness to negotiate. The British Army in general takes a purely sporting view of the war. Equipment is bad. The German delay is having a demoralizing effect.

The Charge d'Affaires in Washington reports on a statement made by the American Ambassador in London, Kennedy, in a telegram to Washington, according to which there will be no large-scale military operations between Great Britain and Germany since, in his opinion, the Germans will achieve their aim in any case by their present tactics. He further stated that traffic in the east coast ports of England has been greatly reduced, while other ports have been heavily damaged.

Great Britain/Ireland:

According to a report from Dublin (Ambassador), Great Britain is still trying to draw Ireland into the war on her side.

For the time being, however, a British attack on Ireland is considered unlikely.

The renewed German assurance that Irish neutrality will be respected has had a very favorable and calming effect, so that feeling is now shifting more in our favor. Public sentiment is much more against Great Britain than against us.

France:

Some time ago the French Armistice Commission submitted suggestions for the establishment of a French Colonial Fleet. For the time being, as long as Para. 8 of the Armistice Treaty is suspended, Naval Staff does not consider this matter urgent. In principle, there are no objections to the French project. For comments on this question see "File Armistice", letter of 9 Aug. By decision of Naval Staff, the French Colonial Fleet for Indo-China, West and Equatorial Africa and Morocco would comprise:

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- 4 cruisers, second class (one stricken from the list of French proposals),
- 8 colonial gun boats,
- 3 destroyers,
- 4 submarines (4 stricken from the list of French proposals),
- 3 squadrons of seaplanes.

Spain:

Following protests by the German Government, the Spanish Government has issued an internal instruction to Spanish customs authorities prohibiting the transit of war material and essential raw materials, as well as transshipment in Spanish ports. These regulations do not affect us, since special instructions have been issued for consignments of interest to Germany.

Portugal:

The Embassy reports that no increase in the volume of goods for the Western Powers has been observed in Portuguese ports. The Portuguese Foreign Ministry has made a similar statement.

Finland:

The Ambassador in Kovno reports that a Russian action against Finland may take place in August. It is said that Russian troops are to be in a state of readiness on the Finnish border on 15 Aug.

U.S.A.:

The House of Representatives has approved the draft of a bill under which U.S. ships evacuating British refugee children will be allowed to enter the war zone, provided both belligerent powers give their consent.

According to press announcements, precautionary measures "against a German attack on Greenland" are being considered.

The Captain of the prize CITY OF FLINT, which had been

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seized by Germany, was awarded the naval cross for outstanding services during the capture and internment of his ship by armed forces of a belligerent European power.

Japan:

The Japanese have accused the French of giving further support to the Chinese by way of Indo-China. It is said that in view of threatened attack by the Japanese, the French have interrupted the demobilization of Indo-Chinese troops and have reinforced coastal fortifications.

Conference on the Situation with Chief, Naval Staff

Special Items:

I. Chief, Naval Staff reported on his tour of inspection in France and issued certain detailed instructions concerning organization and bases.

II. Operation "Seelowe":

Chief of Staff, Naval Staff reported on the conferences with the Army General Staff, which produced no agreement. It is therefore necessary to have a further conference with the Fuehrer.

A survey of the advantages and disadvantages of a landing on a broad front as compared with one on a narrow front reveals the following:

1. On a broad front:

- a. Advantages: Are all on the side of the Army regarding operations in the British Isles, but only if the landing itself and supplies can be guaranteed.
- b. Disadvantages: Strong threat from the enemy (bases Portsmouth and Portland) and open sea area (sea is never smooth and there is always surf on the coast) - Long approach (12-14 hours) - Long time required for unloading (36 hours if undisturbed) - Inadequate minefield protection (one mine belt at best) - Tide difference of

3-5½ hours compared with Dover. This means that landings must either be staggered or made in unfavorable tide conditions - Preparation of a landing on a broad front cannot be adapted to a landing on a narrow front (lack of tugs, distribution of barges and steamers) - Even if the first landing were successful, each succeeding wave and all supplies would be in grave danger from enemy action and changing weather conditions.

2. Narrow Front:

- a. Advantages: It is easier to protect the crossing route (barrages, naval forces, artillery). If Dover can be neutralized, internal threat will be eliminated - More likelihood of better sea conditions than in the western part of the Channel (though even here continuous calm weather is improbable) - Shorter approach (6 to 9 hours) - Faster unloading, since only barges would be used in the first wave (1-3 hours) - Mine defense could be concentrated - Landings could be simultaneous as difference in tide between Beachy Head and Dover is insignificant - Concentration of the crossing on a narrow front makes for the best use of tugs (two towed barge convoys) and continuous supply of reinforcements by dredger.
- b. Disadvantages: Principally in the field of Army organization and land tactics, since the landing places are bad starting points for operations, due to the soil which is unsuitable for tanks and heavy artillery.

III. Report by Chief, Operations Branch on the directives of Armed Forces High Command in regard to measures to deceive Great Britain (see order OKF 33190/40 dated 7 Aug. in operational files of Naval Staff).

These measures must be aimed at maintaining pressure on the British people and Armed Forces, regardless of whether and when Operation "Seelöwe" takes place. Directives will be issued in regard to special ruses to be employed to relieve the actual landing. The branches of the Armed Forces are

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prepare for assembly and shipment of troops, requisitioning of shipping space, air defense and supply organization. Extension to Norway, Netherlands, Brest, Biscay.

Actual movement of troops, preparation of shipping space, etc. are not to be carried out until the Fuehrer gives the order; however, preparations are to be started now.

By order of Naval Staff, Group Baltic on 2 Aug. submitted suggestions for carrying out deceptive operations in connection with "Secloewe" (see Group Baltic Gkdos. 507 Chdfs. dated 1 Aug. 1940) as follows:

- a. Troop movements in the areas of Denmark and southern Norway.
- b. Intensified air reconnaissance in the area of southern Norway.
- c. Assembly of numerous merchantmen in harbors of southern Norway.
- d. Departure of merchantmen to the west, formation of convoys, escort by naval forces, carrying out of deceptive movements.
- e. Radio deception.

The enemy is to gain the impression that a large-scale landing is intended in the north. The time of the operations is to be adjusted to that of the main operation in such a way that the deceptive maneuver will affect the disposition of British forces.

The deceptive effect will be intensified by diversionary operations by the SCHEER and the HIPPER.

The purpose and effect of the deceptive operations as a whole will depend on the most scrupulous preparation and organization, combined with use of suitable means.

Naval Staff basically agrees with Group Baltic's suggestions and the measures described. Detailed comments are contained in letter from Naval Staff (I op. 1108/40 dated 9 Aug.), see file "Secloewe" Order No. 28. This letter instructs Group Baltic (North) to work out the operations along the lines of Naval Staff's order.

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At the same time Naval Staff has approached Army General Staff and, after giving information on the planned deceptive maneuvers, has asked to be advised how long before the actual landing the deceptive operations should be carried out in order to be useful to the Army. (For details see also file "Seelowe", Order No. 28.)

IV. Commanding Admiral, Norway has reported that in mid-August, Commanding General, Armed Forces, Norway plans to hold a discussion of "decisive importance for the expansion of Trondheim". The Commanding Admiral has asked that representatives of High Command, Navy be sent with authority to make decisions in order to present the Navy's interests in regard to the plans for Trondheim and, in particular, the new construction of dockyards, strength of the naval forces to be stationed there later, berths, shore facilities, housing requirements, etc.

In view of the present labor situation as a result of other more important tasks, Commander in Chief, Navy has decided that at the moment it is impossible to send representatives or compile the necessary data. The Navy, nonetheless, claims a decisive and primary influence in the expansion of Trondheim. Commander in Chief, Navy will discuss this matter with the Fuehrer when occasion arises.

Commanding Admiral, Norway has been advised accordingly and ordered to suggest to Commanding General, Armed Forces that the planned discussions be postponed.

Situation 9 Aug.

Special Reports on the Enemy

Great Britain:

For a survey of troops employed on coastal and home defense in the British Isles, according to data from General Staff, see file "Seelowe" page 27.

North Atlantic:

From U "58"'s report that within three days she sighted four large outgoing convoys, including fairly large

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passenger steamers with very strong air escort on westerly course, it may be concluded that Task Force "H" was evidently sent out to escort specially important convoys (troop transports) in the Atlantic. Positions of British forces in the Atlantic were not established.

An unidentified steamer reports pursuit by a suspicious ship about 600 miles west of Ireland. The ship was similar in type to a German merchantman. This report may be regarded as the result of the British Admiralty's order to report any suspicious ship. Such reports are to be welcomed, as they help considerably to upset the enemy's merchant shipping. The presence of one of our auxiliary cruisers in that area is out of the question.

South Atlantic:

On 4 Aug. Commander, South Atlantic ordered the cruiser DRAGON to pick up a convoy (presumably convoy RS 5 proceeding to Capetown).

North Sea/Northern Waters:

There are no special reports on the enemy, who has so far not detected the HIPPER's return passage.

The cruisers CARDIFF and AURORA were identified off the east coast of England and several destroyers in the Humber area.

The formation of a convoy was observed in the Tyne area.

North Sea:

A British Admiralty radio message of 3 May 1940, found aboard the British submarine SHARK, reveals that certain British fishermen in the Humber, Lowestoft and Yarmouth areas were given confidential permission to fish within the ninefield declared off the east coast between $53^{\circ} 48' N$ and $53^{\circ} N$ and west of a line from the point of intersection of the parallels of latitude with $1^{\circ} 34' E$ and $2^{\circ} 45' E$. The attention of the fishermen was expressly called to the fact that they were in no case to go east of the eastern limit of the above area. The eastern limit runs along the Swarte Bank.

This statement provides valuable information on the actual

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extent and effectiveness of the British declared area off the east coast.

France:

Tension between Japan and France as a result of the expected Japanese advance in Indo-China. The French Admiralty has informed the Governor that the Japanese Government evidently does not intend to force military negotiations by means of an ultimatum. The Admiralty sees this as a sign of relaxing tension, though continued caution is advised. The press reports that the Governor of French Indo-China refused a Japanese naval detachment permission to land.

Own Situation

Foreign Waters:

There are no reports from the auxiliary cruisers.

Ships in the Atlantic have been advised of the enemy situation (see radiograms 1818, 1845).

Prize I of Ship "36", which was to pass Fernando Noronha on 8 Aug., received course instructions by radiogram 2206. The following route has been recommended to the ship:

"On 35 to 40° W, west of the Azores to the north up to 42° N, then eastwards. Head for the Bay of Biscay on about 44-45° N. Enter Spanish territorial waters only in case of emergency. Do not anchor in territorial waters but only pass through. Enter the Gironde." Furthermore, the ship has been informed of the operational area of our submarines and of enemy Atlantic shipping (see radiogram 2206).

Norway:

The HIPPER is on return passage and will be 30 miles west of Bergen at 0800 on 10 August. Large-scale air reconnaissance, close escort and fighter cover will be provided. There has been further heavy and superfluous radio traffic from the HIPPER, and Group West has again had to call her attention to its restriction (see radiograms 1515, 1609).

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North Sea:

Nothing special to report. Enemy flights over the West Frisian and East Frisian Islands; minelaying is suspected in the mouth of the Weser and in the Hubertgatt (see report 0600).

Channel/Atlantic Coast:

Activities of minesweeping units were greatly reduced. During the night of 8 Aug. three boats of the 1st PT Boat Flotilla made a sortie into the area of the Isle of Wight and St. Albans Head, where a steamer on fire was sighted off the coast. No operations by the 2nd PT Boat Flotilla on account of the weather.

Skagerrak/Kattegat/Western Baltic:

Exploratory sweeps and escort of transports by patrol boats and mine-exploding vessels as planned.

A 700-ton Danish steamer struck a mine off Vejle Fjord and sank.

There were numerous enemy flights over Schleswig-Holstein as far as Fehmarn - Luebeck Bay during the night of 8 Aug.; mines were probably dropped (see radiogram 0700).

Submarine Situation

In the operational area: U "1", U "30", "38", "60", "58", "37" (the latter proceeding to Lorient).

On passage: U "46", "59" north of the Shetlands, U "48", "65" into the central North Sea.

On return passage: U "52", "56".

U "60" occupies area "D" (south of 55° 35' N, east of 11° 00' W).

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U "38" reports slight traffic in the operational area.
The weather restricted attack.

Submarine Successes:

U "58" reports sinking an armed freighter of 8,724 G.R.T.

Losses:

The search for U "25" (Lt. Beduhn) has been fruitless.
It must be assumed that she struck a mine and sank while
outward bound on Route "1".

Air Situation

See Air Force Events of the Day.

Bad weather greatly hindered air reconnaissance and bomber
operations.

During the night of 8 Aug. the 9th Air Division continued
laying aerial mines off Plymouth, Liverpool, the Thames,
Penzance and Southampton.

The 2nd Air Force has been ordered to drop aerial mines in
Scapa Bay as soon as the weather permits.

The British Under Secretary of State for Air informed the
House of Commons that balloon barrages in all parts of the
country are to be reinforced.

Mediterranean

See Situation Mediterranean.

Nothing special to report. Continuation of the minelaying
in the Sicilian Channel by minelayer SCYLLA and the 10th
Destroyer Flotilla.

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Colonial War

The offensive against British Somaliland under command of the Duke of Aosta is being continued successfully.

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Items of Political Importance

Great Britain:

At the suggestion of Naval Staff, a conference was held in the Foreign Office on 8 Aug. on the subject of possible counter-measures against the extension of the "Navicert system" to all goods bound for or coming from Europe.

Result of the discussions:

1. Acceptance of the navicerts by neutral ships is regarded as definite support of the enemy, even if the consignee is a neutral. Ships with enemy navicerts are therefore subject to seizure. U.S. ships are exempted from this procedure for political reasons.
2. Before the German measures come into force, all neutral states carrying on merchant traffic are to be notified of the German view. Special note to the United States taking the line that the measures planned do not affect the United States, since no American ships sail to Europe.
3. The German measures will be thoroughly discussed with the Italians with a view to joint action.
4. Propaganda campaign against the navicert system, underlining the legal aspects. (For details see War Diary, Part C, Vol. VIII.)

Spain:

The Spanish Ambassador delivered a note to the British Government protesting against the extension of the British blockade to Spain.

France:

In regard to the application of Prize Law in France, see War Diary, Part C, Vol. VIII.

U.S.A.:

The Naval Attache reports that the former Assistant Chief of Naval Operations, Rear Admiral G. Hornley and two other officers have been sent to London by direct order of Roosevelt. They will apparently be attached only

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noninally to the American Embassy, the status of the Naval Attache remaining unchanged. The commission's official task is to observe the course of the war and German war strategy; additional secret assignments in preparation for close Anglo-American cooperation may be assumed.

East Asia:

It is planned to withdraw the British battalions still in China (Tientsin, Peking, Shanghai).

According to an Italian report, there are numerous Japanese warships and transports off Tonking. A military action may be imminent. The French Governor is said to have received permission to resist Japanese pressure.

Conference on the Situation with Chief, Naval Staff

Special Items

1. Operation "Seeloewe":

Chief, Naval Staff reviewed the situation, with particular emphasis on the fact that agreement between Naval Staff and Army General Staff as to the type of operation (broad or narrow front) has not yet been reached, so that a new ruling by the Fuehrer has become necessary; in view of this, Chief, Naval Staff has asked all offices concerned to furnish detailed information on the state of preliminary work.

Naval Staff, Operations Division submitted a memorandum for the conference with the Fuehrer (see file "Seeloewe" Order No. 30), in which the different opinions of the Army and the Navy are again set forth; it is clearly stated that Naval Staff cannot assume the responsibility for transportation on a broad front, as this would mean that not only naval forces but the large Army contingents would be liable to heavy losses so that, by the collapse of this western landing, the whole operation might be doomed to failure. This danger would be accentuated by the fact that extension to the west of the transport operation would so greatly deplete technical and material strength in the eastern sector, i.e. at the main point of crossing, that even here it would become impossible to transport important Army forces.

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With the means available, the Navy can assume responsibility for troop transportation only in the area of the Strait of Dover, and, even so, serious delays and disruptions of the crossing planned due to weather conditions cannot be eliminated.

The decision to be taken by the Fuehrer is fundamental inasmuch as, even if the operation is postponed to 1941, these conditions will remain unchanged. Nor will the increase in naval forces be sufficient by next year to have a decisive influence on our comparative strength.

Status of Preparations:

Preparations, especially mine clearance, are hampered by the delay in Air Force operations; while the weather is now unfavorable, a previous period of extremely good weather was not exploited for reasons which are not known in detail to Naval Staff. It must be stated that at every opportunity, Naval Staff has stressed the necessity for an early start of intensified air warfare and has particularly emphasized this point of view since the beginning of preliminary work for Operation "Seelowe".

Since the Fuehrer will make his decision on Operation "Seelowe" at the earliest 8-10 days after the start of large-scale Air Force operations, the possibility of meeting the deadline is already to some degree jeopardized.

Preparation of Transport Space:

At present the entire transport situation must be under the central direction of Naval Staff, in cooperation with Service Division, Transport Branch. The preparatory work can be turned over to Group West only upon completion of the preparations for requisitioning, conversion and distribution of shipping. 2,000 barges have been seized in Germany and Holland. Conversion in German and Dutch dockyards is in full swing. The craft will be assembled at certain points.

The Army frequently asks for barges for maneuvers in Belgium and France. However, converted barges and personnel are not yet available. General Staff will be informed to this effect. According to a report from Special Duties Commander, Transport (Captain Degenhardt), about 20 barges converted in France will be available for Army exercises at St. Malo in 8 days. Chief, Naval Staff has agreed to conversion of up to 500 French barges in French dockyards as reserves.

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Difficulties are being encountered in moving the large number of barges through the canals. Passing through the locks on the Calais - Dunkirk - Ostend - Bruges - Ghent - Terneuzen canals has now been made possible by removing the fixed bridges, so that empty barges can come through. The south canal will be ready in about two weeks. It is of utmost importance that the canals be cleared of mines and kept clear (detection of mines, warning to barge transports, halting of barges, removal of those that may strike mines, etc.). By decision of Chief, Naval Staff, control of the entire anti-mine service must remain in the hands of the Navy. Large-scale employment of engineers on inland waterways. Clear instructions as to responsibility for the minesweeping service must be issued. Commanding Admiral, France and Admiral, Netherlands in command.

The necessary 145 steamers ranging from 1,000 to 9,000 tons have been requisitioned. Conversion of 93 ships is in progress. Difficulties still exist in the provision of tugs. Only 412 of the 550 required have so far been requisitioned.

Naval Ordnance Division, Artillery Branch: Mounting of artillery in the area of Calais is proceeding smoothly. The Todt Organization has 9,000 men on the job. The men are working with the greatest enthusiasm. Excellent cooperation between all offices concerned. All Army batteries are now ready for firing. Radar gear is being set up on Cape Blanc Nez. Clearance of port installations is under way. Completion is expected in good time. Difficulties only at Dunkirk.

Underwater Obstacles Branch: Transfer of mines to Ostend; Cherbourg and Boulogne is under way. Mines will be ready on schedule. Several de-gaussing stations for barges have been set up.

2. The assignment of naval communications officers to Admiral, Channel Coast and Admiral, Northern France has been ordered.

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Situation 10 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

Two ships of convoy HX 61a are bound for the Clyde and 10 ships for Methil (Firth of Forth).

Submarine NARWHAL is not engaged on the Canada escort service, as previously assumed, but is in the home area.

From radio intelligence reports it appears likely that the HOOD intends to enter Scapa. No definite reports on the VALLANT, ARGUS and destroyers. These forces may be west of Ireland.

Central Atlantic:

The steamer allegedly pursued yesterday by a German auxiliary cruiser 600 miles west of Ireland reports that the raider has now disappeared. She describes the raider as a freighter of the Hansa Line of about 6,000 tons. (For detailed description see radiogram 0900).

South Atlantic:

Aircraft carrier HURLES at sea since 7 Aug.; probably escorting convoy RS 5 (evidently troop transports for Aden). Cruiser DRAGON, from Lobito, will take over direction of the convoy as far as Capetown on 11 Aug. Arrival there on 16 Aug.

Auxiliary cruiser ALCANTARA received orders to carry out patrol service east of Rio as far back as the morning of 8 Aug. Thus the damage suffered in the engagement was soon repaired.

Indian Ocean:

According to a report from the Naval Attache, Tokyo, the QUEEN MARY has arrived at Singapore with 5,000 Australian troops. The AQUITANIA, MAURETANIA and cruiser KENT arrived in Colombo on 29 July carrying British troops. Auxiliary cruiser ACCRA, from Hongkong, was sighted on 3 Aug. off the southern tip of Japan in the Toizaka area.

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Northern Waters:

A submerged submarine was reported in the entrance to Romsdal Fjord west of Molde (inprobable). No other reports on the enemy.

North Sea:

According to radio intelligence, the disposition of enemy submarines is as follows: off Texel, in the Hoofden, off Ostend, central North Sea west of the declared area, off Bergen about 60 miles from the coast. Two more submarines are on return passage to Rosyth and Blyth respectively.

Channel:

Apart from bombing attacks on the occupied Channel coast, nothing special to report.

During the night of 9 Aug. two British planes reported a large number of ships in the mouth of the Maas river and in the area of Walcheren.

Own Situation

Command Organization:

Admiral Carls assumed command of the Group North area at Wilhelmshaven.

Group West (Admiral Saalwaechter) took up its duties at 1200 on 10 Aug. in Paris.

Commanding Admiral, Naval Forces, West (Vice Admiral Luetjens) at Trouville.

Commander, Minesweepers, North (Rear Admiral Stowasser) took over his command.

Commander, Minesweepers, West (Commodore Ruge) transferred to Trouville on 10 Aug. (will commence work as of 14 Aug.).

Foreign Waters:

The Naval Attache, Moscow reports that Ship "45" will call

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at Murmansk to receive instructions from the Russians. Naval Staff fears that calling at Murmansk may compromise her. The Naval Attache, Moscow has therefore been asked to find out if it is imperative that she call at Murmansk or whether another rendezvous is possible; also whether, despite the delayed departure and the difficult ice situation, a successful passage may still be counted on. Ships in the Atlantic have been informed of the enemy situation by radiogram 1855.

Norway:

Cruiser HIPPER on return passage according to plan. Air reconnaissance and close escort had to be broken off because of the weather.

Admiral, North Norwegian Coast reports execution of mine-laying in Trondheim - Leden. An anti-submarine staircase barrage was laid on 9/10 Aug. in the area:

1. 63° 37.9' N, 9° 33' E
2. 63° 38.4' N, 9° 34.7' E
3. 63° 36.5' N, 9° 37.7' E
4. 63° 36.7' N, 9° 34.3' E.

There is a gap 1,000 m. wide in the barrage between the defense line of points 1 and 2 and the northern shore. Barrage pilot service has been established. For notice of closed area in Trondheim waters see teletype 2019.

German merchant shipping has been instructed accordingly.

North Sea:

Nothing special to report.

Channel/Atlantic Coast:

Motor minesweepers broke off their activity because of bad weather. The 38th Minesweeper Flotilla carried out special exercises with the Army.

Enemy bombing attacks on Guernsey and Cherbourg (mines depot). A shed containing infantry ammunition was set on fire.

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Aerial mines were obviously dropped in the entrance to the harbor at Le Havre. Bombing attack on Flushing; no special damage.

Admiral, Netherlands reports that Air Force Area Command, Holland has advised that the present distribution of forces does not permit of fighter forces being assigned to carry out escort duties.

It is impossible to transfer shipping or to start systematic minesweeping in preparation for operation "Soeloewe" in view of the present situation in the air.

Skagerrak/Kattegat/Western Baltic:

Transport traffic and exploratory sweeps according to plan. A ground mine was swept south of the Drogden.

Submarine Situation

In the operational area: U "A", U "30", "38", "46", "59", "60".

U "46" has been ordered to occupy area "B" (limits north of 55° 46', east of 10°).

U "59" is en route for northern waters.

Bound for Lorient: U "37", "56", "58".

On passage in the central North Sea: U "48", "65".

Put out for operations: U "51", "100", "101".

Submarine Successes:

U "37" sank the UPMEY GRANGE (9,130 tons) west of Land's End.

U "38" reports sinking the steamer ACCRA in convoy.

U "56" sank a steamer of 8-10,000 tons off the North Channel.

U "57" reports in her brief report that three steamers

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totaling 16,566 tons were sunk during operations from 11 July to 7 Aug.

U "99" (Lt. Kretschmer) on operation from 25 July to 5 Aug. off the North Channel; total result: 41,596 tons.

Air Situation

See Air Force Events of the Day.

Air reconnaissance from Brest - west coast of Ireland - Hebrides - Pentland Firth - to Aalborg reports convoy traffic west of the northern tip of Ireland.

Operations against convoy traffic in the Irish Sea, west of Land's End and in the Humber area without success.

During the night of 9 Aug. nuisance raids on British airfields and the aircraft industry were continued.

The Admiralty admits the loss of a total of five ships as a result of combined attacks by PT boats and planes on convoys in the Channel on 8 Aug. Three coastal vessels totaling 1,500 tons were, it is stated, sunk by PT boats and two totaling 2,540 tons by air attack, while seven other ships were damaged. The convoy reportedly consisted of about 20 ships totaling 18,000 tons.

Verification of statements as to the size of enemy ships in the Channel is impossible. Naval Intelligence Division, however, considers that at present only rather small ships are employed in Channel coastal traffic. It is therefore not unlikely that PT boats as well as planes may have been mistaken regarding the sizes of vessels.

Mediterranean

Nothing special to report.

Mine barrages west of Pantelleria are being completed.

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The British Admiralty admits the loss of submarine ODIN.

According to an agent's report, turret "C" of the old battleship RESOLUTION has been damaged.

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Items of Political Importance

Finland:

Reports from Naval Attache, Helsinki indicate that Finland's attitude towards Germany is improving considerably. One reason for this may be the great disappointment over Britain's attitude towards Norway and Finland, as revealed in German publications of documents, as well as indignation at British behavior towards France (Oran, Dakar). In addition, Germany's great military successes have had a great influence, since they have revived the hope that, after defeating Great Britain, Germany will later take action against Russian attempts to crush Finland.

Communist intrigue and propaganda activity in Finland are on the increase.

Turkey:

The Embassy reports that the Turkish President is determined not to alter the course of Turkish foreign policy, so that no improvement of German-Turkish relations is to be expected. At the moment, Great Britain's prospects are regarded in Turkey more favorably. (Long war, intervention of the United States.) The postponement of a direct German attack on Great Britain and the absence of Italian military successes are said to have made a lasting impression on the Turks.

Situation 11 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

At 1300 air reconnaissance sighted 51 medium-sized merchantmen escorted by six destroyers on course 120°, about 200 miles west of the northern point of Ireland. Otherwise nothing special to report.

South Atlantic:

The Naval Attache, Rio learns from a reliable source that

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the speed of the auxiliary cruiser ALCANTARA has been reduced to 10-12 knots. There are no reports on the enemy from the Central Atlantic or the Indian Ocean.

North Sea/Northern Waters:

Radio intelligence intercepted movements of British naval forces off the east coast. The cruiser ARETHUSA and three destroyers are at present patrolling the Harwich area. They are to be relieved at noon on 12 Aug. The Humber was temporarily closed on the morning of 11 Aug. because of mines but was opened again in the course of the day, at first for warships and later also for merchant shipping.

The British steamer CITY OF BRISBANE (8,006 tons) and the tanker OILTRADER (5,550 tons) were bombed and damaged; the latter is being towed in to Harwich. The naval trawler EDWARDIAN (384 tons) was beached near North Foreland after having been bombed.

Channel:

British planes are laying mines off the harbors on the Dutch coast.

Neutrals:

U.S.A.:

According to unconfirmed Italian reports, the American Atlantic squadron with fast transports and landing troops is ready for intervention in an unidentified area (west of India? - perhaps West Indies meant, Tr.N.)...

Own Situation

Foreign Waters:

There are no reports from the auxiliary cruisers. The ships have been informed of the enemy situation by radiogram 1821.

Norway:

Group North reports plans to withdraw Ships "7", "18" and

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"47" on about 15 Aug. and re-assign them to Commanding Admiral, Norway. Naval Staff consents to the assignment of the ships to Commanding Admiral, Norway, but considers continuation of present operations and uninterrupted action against merchant shipping in northern waters, for which these ships are particularly suitable, urgently necessary with a view to stopping enemy supplies from the Petsamo area. Instructions to this effect will be issued to Group North and Commanding Admiral, Norway.

North Sea:

The cruiser HIPPER, escorted by torpedo boats, entered Wilhelmshaven at 0700 as scheduled. The ship's assignment to the North Cape area for operations against merchant shipping has not produced the desired results. Except for seizure of one prize, no other successes were achieved, although Naval Staff has the impression that merchant traffic, even if not on a large scale, is proceeding from the Petsamo area to Great Britain.

Since enemy submarines are operating in the Hoofden and in the Frisian Islands area, Group Commands are again reminded of the need for continuous, thorough and systematic submarine chase in these areas, this being essential for smooth transfers to the Channel area necessary in connection with Operation "Seelowe".

Channel/Atlantic Coast:

Enemy planes dropped mines off bases in Holland and northern France (especially Hook of Holland and Le Havre).

Harbor defense boats of Group Helder engaged in minesweeping were unsuccessfully attacked by planes.

No operations by PT boats because of the weather.

Motor minesweepers are in readiness for sea-rescue service. The 38th Minesweeper Flotilla carried out special exercises with the Army.

Mine clearance by the 4th Motor Minesweeper Flotilla, using the new deep sweeping gear, is scheduled to take place on 12 Aug. in the British minefield off Cape Gris Nez.

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Skagerrak/Kattegat/Western Baltic:

Mine Situation:

On the morning of 11 Aug. patrol boats "1509" and "1506" were damaged by mines near Byddoe light while a convoy was leaving Oslo. Further mines were cleared between Bleikoy and Grasholm (Oslo Fjord) during a search with minesweeping gear. These were probably mines dropped by enemy planes during the night of 10 Aug. During flights over Schleswig-Holstein and Jutland into the Baltic minelaying was observed. Bombs caused no damage. In the Langeland Belt mines were cleared by mine-exploding vessels.

Transport traffic and check sweeps without incident.

Submarine Situation

In the operational area: U "A", U "30", "38", "46", "59", "60".

On passage: U "48", "65", "51", "100", "101" and "28".

On return passage: U "56".

U "A" is transferring her operational area to large grid square CF (off Spain).

Submarines have been instructed to treat warships and planes of the "de Gaulle Legion" as enemies; they fly the French national flag on the stern and a square blue flag with red St. Andrew's and St. George's crosses on the bow. The planes carry blue identity circles with crosses of St. Andrew and St. George.

Air Situation:

See Air Force Events of the Day.

Successful bombing attacks on Portland and Weymouth and on

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convoy traffic and unaccompanied steamers. One destroyer was seriously damaged and several steamers were hit. Large-scale air battles took place, in the course of which 89 enemy planes were shot down and 26 of our own planes were lost.

Nuisance raids on port installations and aircraft plants were continued.

The 9th Air Division laid mines off Plymouth, Falmouth, the mouth of the Humber and the Thames.

In connection with considerations on the creation of a consolidated German colonial empire in Central Africa and the necessary requirements for quick occupation and speedy establishment of defensive readiness, Naval Staff has requested Commander in Chief, Air Force to initiate construction of large seaplanes. Since seaplanes to meet the military requirements for the purpose in question would have to be considerably larger than types hitherto built in Germany and thus the period for construction and serial production would be lengthy, the commencement of such projects appears urgent. (For details see Naval Staff's request to Commander in Chief, Air Force of 10 Aug. in War Diary, Part C, Vol. V.)

Matters of war economy

Ore deliveries:

During the period from 26 May to 27 May (?), a total of 1,688,800 tons of ore was shipped from Lulca to German ports. These shipments were carried by 201 German, 47 Swedish and 12 Finnish ships. Shipments have recently dropped due to a temporary shortage of shipping space.

Oil deliveries:

The importance of German mineral oil supplies for the Navy is stressed in a report by the War Economy Division (Bureau of Naval Armament, Naval Ordnance Division, War Economy Branch) dated 5 Aug. (See War Diary, Part C, Vol. XII.)

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Mediterranean

See Situation Mediterranean.

The 1st British Battleship Squadron with aircraft carrier EAGLE and destroyers was at sea on 10 Aug. for exercises in the Alexandria area.

The Italian battleship group (CAESARE, CAVOUR and DUILIO) is on exercises in the Ionian Sea with destroyers and planes.

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Items of Political Importance

Great Britain:

The reciprocal effect of Italian and German warfare is discussed in the press. While Germany is endeavoring to tie down the main body of the British Fleet by threats of invasion, Italy is directing the attack against the British overseas possessions. Great Britain considers this warfare a serious threat to her existence and calls it the "Battle for the Empire". The need to reinforce the Egyptian defensive position is especially stressed. The situation in Somaliland is not yet considered very dangerous. Further developments in Gibraltar's defense situation are regarded with concern.

Japan:

The Japanese have demanded that the French grant them all concessions in Indo-China necessary for their war against China (including control of the railroad). The French Government has rejected this demand.

U.S.A.:

According to a report from our Charge d'Affaires the Government has formally declared that it does not intend to sell or transfer warships to Great Britain (but possibly to Canada?).

In general it is noted that, since Roosevelt's nomination as Democratic presidential candidate, U.S. measures against the Axis powers have noticeably tightened. At the Havana Conference, the United States gained more political and fewer economic successes than expected. If any change of sovereignty of the European possessions in America is threatened, the American States will be entitled to establish a mandate over these territories. United States action against French possessions is therefore quite possible.

The United States' plans to create a Pan-American economic cartel in order to eliminate the German trade with Latin America may be considered to have failed. The joint Pan-American defense front against the "Fifth Column" is a skillful camouflage for the imperialistic aims of the United States in Central and South America. Large-scale provocative propaganda is creating an atmosphere not

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unlike that during World War I. It is partly based on fantastic arguments. Nevertheless, its influence upon the American people is undeniable. If Roosevelt is re-elected, which will largely depend on the coming events of the war, and if the necessary military conditions exist, Naval Staff is of the opinion that Germany must definitely count on the United States' entry into the war. There can be no doubt that this development depends solely on the will of the United States and its President and not on Germany's future actions or any particular measures in her war on merchant shipping (intensification of naval and air warfare).

A review of this situation has been sent to the forces in the Atlantic (see radiogram 1600).

Conference on the Situation with Chief, Naval Staff

Special Items

1. Operation "Seelowe":

a. In view of the results of Chief, Naval Staff's conference with the offices responsible for planning and preparation, Naval Staff has again set out in a letter to Service Division, Commanding Admiral, France, Group West and Naval Liaison Officers attached to the Army its instructions on distribution of work, organization and assignment of responsibility in the various preparations for Operation "Seelowe", in order that any misunderstanding may be avoided. (See letter Skl. I op 1165/40 of 12 Aug. in file "Seelowe", Order No. 31.)

b. Report by Chief, Operations Branch on General Staff's memorandum of 10 Aug. to Chief, Armed Forces High Command concerning the question of the landing area. This memorandum again points out the contrasting opinions of Naval Staff and General Staff in regard to execution of the operation on a broad or a narrow front; it urges that, apart from the landing in the Eastbourne - Ramsgate area, a simultaneous landing be made from Le Havre at and west of Brighton, since, in view of the enemy's strong defensive position, General Staff considers that the operation can be successful only if the landing base is extended. The vicinity of Brighton is considered particularly suitable

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for an operation by mobile units also. Furthermore, General Staff will only abandon the plan for a landing in the western area and in Lyme Bay with great reluctance, since the splitting up of forces effected by such a landing would be extremely advantageous.

(For text of memorandum see file "Seelowe", Order No. 32.)

Naval Staff, Operations Division has submitted its comments on General Staff's memorandum to Chief, Naval Staff. The fact that General Staff's demands are justifiable from the Army's standpoint is fully acknowledged. However, Naval Staff, too, must insist upon those demands which it regards, in the Navy's view, to be essential for success. It is the opinion of Naval Staff that simultaneous landings in the west off Brighton and in the east off Deal cannot be carried out, since the probability of even the first landing succeeding, but especially of subsequent forces and supplies being brought up, must be regarded as unjustifiably small. An increase in transport facilities to carry a total of ten divisions to the Ramsgate - Brighton area within four days and the speedy bringing-up of reinforcements, as demanded by General Staff, is ruled out from the start by the limited amount of shipping space available. Provision of additional shipping space for a landing in Lyme Bay is thus even less feasible, apart from the navigational and operational difficulties that, in Naval Staff's opinion, would in any case exclude a landing in Lyme Bay. Chief, Naval Staff fully concurs in this review of the situation and in the views of Operations Division on the General Staff memorandum and will make a verbal report on the subject to the Fuehrer tomorrow.

(For Naval Staff's views on the memorandum see file "Seelowe", Order No. 33.)

c. An outline of the deceptive measures and diversionary operations planned by Naval Staff was submitted to Armed Forces High Command by letter I op 1144/40 dated 12 Aug. (see file "Seelowe", Order No. 34).

d. The plans reported by Commanding Admiral, Submarines for Operation "Seelowe" have been approved by Naval Staff. Naval Staff has reserved the right to retain individual boats on operations against merchant shipping according to the situation. As regards command, the operations of the "Seelowe" submarines will be directed by Commanding Admiral, Submarines in close cooperation with Group West and in accordance with its instructions.

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2. Chief, Naval Staff informed Naval Staff that a personal letter had been received from Reichsmarshall Goering apologizing for the very blunt way in which Naval Staff's requests for naval air forces and suggestions for the distribution of air formations in the Norwegian area were rejected (see note in War Diary, 15 June). The very sincere tone of the letter, expressing a desire for close and effective cooperation with the Navy, leads us to hope that there will be a real improvement in relations between the two most important branches of the Armed Forces for the struggle against Great Britain - Air Force and Navy - which in the past have often suffered due to differences of opinion between the Operations Staffs. On the part of Naval Staff everything will be done to hasten the establishment of improved relations with the Air Force and to extend it to all commands. Naval Staff is anxious to give the closest and most confident cooperation.

Situation 12 Aug.

Special Reports on the Enemy

North Atlantic:

The cruisers NORFOLK and AUSTRALIA are in the Iceland area on patrol service. The patrol is supported by Sunderland flying boats. There are no new reports on auxiliary cruisers in the Iceland area.

The REVENGE is still in the area of the Western Approaches, auxiliary cruiser AURANIA with a convoy 300 miles east of Newfoundland and auxiliary cruiser VOLTAIRE in the Halifax area.

The auxiliary cruisers BULOLO and PRETORIA CASTLE are in the Eastern Atlantic, northward bound.

Central Atlantic:

Radio intelligence identified the cruisers CORNWALL and SHROPSHIRE in the Gibraltar radio area. These two cruisers and the 6th Destroyer Flotilla are evidently escorting one of the large convoys reported by our submarines (presumably taking troops to East Africa or Aden or bringing more troops

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from Australia).

An Italian report states that a fairly large convoy (35 steamers) left Gibraltar yesterday, westward bound.

South Atlantic:

Cruiser DELHI and auxiliary cruiser DUNVEGAN CASTLE were in the northern part of the South Atlantic on 12 Aug.

The cruisers DORSETSHIRE and CUMBERLAND are now escorting convoy RS 5 in addition to cruiser DRAGON and aircraft carrier HERMES.

Indian Ocean:

Auxiliary cruiser CHATY, from the East Indies, is en route to the Cape area, probably to escort convoy RS 5 to Aden. The formation of a Somali Force which includes the HOBART, CARLISLE and AUCKLAND has been observed in the Aden area.

Northern Waters:

No reports on the enemy.

North Sea/Channel:

Off the southeast coast of Great Britain 22 patrol vessels and some destroyers, as well as the cruiser SOUTHAMPTON, were observed at sea.

Convoy activity was observed off the coast of northern Scotland from the Firth of Forth as far as the west coast (11 Aug. four convoys).

Submarine Situation: On 12 Aug., 10 enemy submarines were at sea, including 1 west of Bergen, 1 west of the northwest corner of the declared area, 1 east of Flamborough Head and 1 in the Texel area. Enemy planes flew over the Heligoland Bight and the estuaries.

British Mine Defense:

British radio messages captured on the submarine SHARK and other observations reveal that enemy shipping in areas where ground mines are suspected proceeds in very narrow

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channels (1½ cable lengths to either side from the center line), if possible marked by buoys; minelaying based on reconnaissance and observation of the channels should produce good results.

If we can force shipping out of these narrow fixed channels, at least temporarily, by other actions (air and PT boat attack) there is a chance that even such mines as lie outside the cleared narrow channels may still have their effect. Instructions to this effect have been given to the Group Commands.

In this connection it should be mentioned that a French report of mid-April 1940 reveals that the British had cleared 91 magnetic mines by 1 Apr. 1940. Investigation shows that in this period about 100 to 150 of the 1,190 magnetic mines laid up to 1 Apr. 1940 were effective. Therefore there are still about 950 magnetic mines left, some in the vicinity of the channels.

France:

Interception of radio traffic between the British radio station at Seletar and the French station at Saigon in regard to movements of merchant shipping indicates that a peaceful settlement has probably been reached between the British and French in the Far East.

Own Situation

Foreign Waters:

Ship "45"'s orders to sail to Murnansk to receive instructions from Mark Ivanovich Shevelov, leader of the expedition, are canceled in view of a new statement from the Russians; the ship has been ordered to proceed immediately direct to Matochkin-Shar, where the ice-breaker LENIN is waiting for her with instructions and navigational data. The Russians report that conditions are not unfavorable for departure; the ship can be at the rendezvous by 14 Aug. at the latest (see radiograms 1500 and 1831).

Ship "10" and tanker RECUM are ordered to rendezvous at

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point "B" for refueling between 18 and 23 Aug. If the ships have not met by that time, they will rendezvous at point "F" between 25 and 31 Aug. ("B" = grid square GE 3753; "F" = grid square GE 6992.)

After refueling Ship "10", the RECUM is to return to waiting area "Lanzerote" (west of the West Indies) to refuel Ship "21" again. Ship "10" will receive further supplies from Etappe South America (see radiogram 1629).

Ships in the Atlantic have been informed of recent enemy movements.

Norway:

Ships "7", "18" and "45" are continuing operations in the area of the North Cape according to plan.

Supply ship DITHMARSCHEN has been withdrawn from northern waters; she has been ordered to return to Trondheim and to discharge all oil there except for the amount required for her return passage.

Transport traffic and coastal shipping along the Norwegian coast as planned.

North Sea:

Nothing to report.

A few enemy planes flew over the Heligoland Bight and the coastal area.

Channel/Atlantic Coast:

Minesweeping as planned by 4th Motor Minesweeper Flotilla off Calais, and with the new deep sweeping gear (- 26 m.) in the British western Dover - Calais barrage. No mines were found. The 38th Minesweeper Flotilla carried out minesweeping off Ostend and special exercises with engineers.

In the course of armed reconnaissance by the 606th Coast Patrol Group from Brest over the western outlet of the Channel - St. George's Channel a steamer of 15,000 tons was set on fire in the area of the Scillies on 11 Aug. and a destroyer was attacked without result on 12 Aug.

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Skagerrak/Kattegat/Western Baltic:

Mine Situation:

Oslo harbor has been re-opened. Check and exploratory sweeps in the Baltic Sea entrances without incident. During the night of 11 Aug. enemy planes were over the southern outlet of the Little Belt, the Great Belt and outer Kiel estuary; they probably dropped mines. Transport traffic and patrol of the Skagerrak and Kattegat according to plan.

Submarine Situation

In the operational area: U "A", "56", "30", "38", "60", "59", "46".

In Lorient: U "57", "99"; put in to Lorient: U "37", "58".

On passage: into the operational area: U "48", "65", "51", "100", "101", "28" in the central or northern North Sea.

Returned from operations: U "52".

U "A" reports that she was refueling and taking on supplies from Ship "33" from 18 to 25 July. The urgent radio traffic of the British forces in the South Atlantic observed on 5 Aug. cannot therefore be connected with possible sinking of a steamer, as a result of mines laid off Cape Francis by Ship "33" as had been assumed. The auxiliary cruiser could not yet have performed her minelaying operation at that time.

Air Situation

See Air Force Events of the Day.

Successful attack on Portsmouth, as well as on radar installations on the Channel coast and on airfields and fuel installations, in preparation for the planned large-scale

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attack. Attacks on convoys, in the course of which two steamers were sunk and others damaged. Heavy commitment of fighters and fighter-bombers. During the night of 11 Aug. more aerial mines were dropped in the River Thames and off Fowey, Falmouth, Liverpool and Belfast.

Mediterranean

Nothing to report.

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Items of Political Importance

Great Britain:

According to information from the Charge d'Affaires in the United States, one of the reasons for Britain's great concern over maintenance of her supremacy in the Western Mediterranean and the protection of Gibraltar is that she hopes to prevent the large supplies of food, particularly wheat, accumulated in North Africa from being used to supply France and other countries in southwest Europe (Spain and Portugal).

These tactics are in line with the total blockade of all Europe to which Great Britain aspires and merit attention, since unoccupied France, as well as Spain, is today largely dependent on North African grain.

In a propaganda speech, Hoare Belisha called for formation of 100 new divisions into an expeditionary force for the offensive against Germany.

Italy:

Tension between Italy and Greece due to the murder of the Albania Hoggia by Greek agents.

Russia:

Political commissars in the Red Army and Red Fleet have been removed, thus increasing the prestige and authority of the military commanders. Political control is to be handed over to "war councils".

France:

It is probable that the French Government will return to the occupied area in the autumn.

Conference on the Situation with Chief, Naval Staff

Special Items:

Completion of repairs to the SCHARNHORST and the GNEISENAU:

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On 9 Aug., Naval Staff urgently requested speeding up of the repairs to GNEISENAU and SCHARNHORST from Bureau of Naval Armament, Naval (Ship) Construction and Naval Ordnance Divisions and Naval Staff, Service Division. An effort must be made to hasten completion by foregoing the sinking of docks. It is emphasized that, for operational reasons, everything must be done to restore at least the SCHARNHORST to operational readiness by the end of September.

Naval (Ship) Construction Division and Naval Ordnance Division report that investigation shows that it is impossible to advance completion of the SCHARNHORST because of the work required on guns. The Naval Dockyard, Kiel estimates that she will be ready by 19 Oct.

In the case of the GNEISENAU, the work on guns could be expedited under certain conditions (postponement of repairs to the LUETZOW, abandonment of less important, not really vital work). However, there is no point in such steps since, owing to construction and engine repairs, the GNEISENAU cannot be completed before 31 Oct.

Dates fixed thus probably:

SCHARNHORST	19 Oct.
GNEISENAU	31 Oct.

1300: Conference between Naval Attache, Ankara and Chief of Staff, Naval Staff: Survey of the situation in Turkey: at the moment Turkey fears Russia, above all in view of the Straits (Dardanelles and Bosphorus, Tr.N.). It is not known how far the Russians have already made demands. If their sovereignty is threatened, the Turks will fight. Military preparations are in progress; 27 divisions in Thrace; transport of material is being increased. The equipment of the Turkish Army is good, but personnel is not yet competent in handling modern weapons.

Turkey has again come completely into the British orbit. The long interruption in the German offensive, the great delay in the attack on England and the Italians' lack of activity in the Mediterranean have served to enhance British prestige. Great Britain is exploiting this gain in prestige by skillful propaganda. The Turks are relying upon British protection in case of a Russian attack.

Turkey is apprehensive of Russian actions via Rumania -

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Bulgaria. Her attitude towards Germany has continued to deteriorate, especially since the German publication of documents, combined with clumsy German radio propaganda. On the other hand, British propaganda is very good. Turkey's attitude towards Italy is especially bad, even contemptuous. Results of Italian war on merchant shipping in the Mediterranean completely negative. Traffic continues undisturbed. Turkey regards Great Britain still as the principal world power even in the Mediterranean.

Afternoon: Conference between Chief, Naval Staff, Chief of Staff, Naval Staff and the Fuehrer

1. Chief, Naval Staff reported on Naval Staff's attitude to the memorandum of General Staff and asked for an early decision as to whether Operation "Seelowe" is to be carried out on a broad or a narrow front.

He also again emphasized his opinion that, in view of the limited naval and transport facilities available, Operation "Seelowe" could be only a "last resort" should there remain no other way of forcing Great Britain to enter into peace negotiations. The Fuehrer agreed with this view.

Failure of Operation "Seelowe" would inevitably be a gain in prestige for the British and must therefore be avoided at all costs. The effect of the intensified air war remains to be seen.

2. In the further course of discussion the Fuehrer stated that he attaches increased importance to an early reinforcement of the German position in the area of northern Norway in view of the still uncertain trend of Russo-Finnish relations. Danger through possible Russian attacks in northern Norway must be eliminated and the basis created for the occupation of Petsamo if this should become necessary. An Admiral, Northern Norway is to be appointed.

3. Chief, Naval Staff requested the Fuehrer to rule that the manufacture of submarine torpedoes and torpedo tubes be given higher priority than other projects of priority I, since otherwise submarine warfare will be jeopardized from October. Reason: greatly increased consumption of torpedoes and non-fulfillment of production requirements

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(mainly regarding labor). The Fuehrer fully acknowledged the urgency of this problem and has issued the necessary orders. (For details see memorandum on Chief, Naval Staff's conference in War Diary, Part C, Vol. VII.)

Situation 13 Aug.

Special Reports on the Enemy

Great Britain:

Atlantic:

North Atlantic:

The old battleship REVENGE was about 360 miles west of northern Ireland on 12 Aug.; now probably proceeding to the Channel area.

The following six auxiliary cruisers were identified on 12 Aug. between the west of Ireland and the vicinity of the Canaries: CANTON, CHESHIRE, MALOJA, CELICIA, CHITRAL and one unidentified auxiliary cruiser. From this observation it seems probable that the British plan to establish a patrol line of auxiliary cruisers in this area to enforce blockade measures against France, Spain and Portugal.

South Atlantic:

On the evening of 12 Aug. Commander, South Atlantic requested two British steamers to state immediately whether either of them was reported as a raider by the steamer ST. AGNES. The latter was asked to cancel her report on a German raider if it were thought that an Allied ship could have been involved. The case remains obscure. It may be a result of Ship "33"'s activities.

Auxiliary cruiser ARNDALE left Montevideo on 10 Aug. (press report).

According to a report from the Naval Attache, Buenos Aires, heavy British radio traffic was observed by Argentina on 12 Aug., indicating a concentration of several British warships and auxiliaries between Montevideo and Bahia.

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Movement of enemy forces in this area is also indicated by the transfer of tanker BRONDALE, which was ordered to proceed from Trinidad to the La Plata to meet tanker ORANGE LEAF.

North Sea:

Commander, 15th Cruiser Squadron was at sea in the Scapa area on the evening of 13 Aug. Also, anti-aircraft cruiser CAIRO, so far in the Rosyth area. Air reconnaissance identified enemy submarines in the Hoofden, 30 miles from Orfordness.

A report by Naval Intelligence Division dated 13 Aug. (report No. 9) gives a survey of approaches to the most important harbors on the British east coast north of the Thames. It is understood that all traffic routes are regularly searched for mines. Contrary to previous practice, under which the entire width of the individual channels was opened to traffic, merchant shipping has now been advised that, when a channel is re-opened, freedom from mines can no longer be counter on in all cases over its complete width but only in the central part (about 0.1 to 0.2 miles on either side of the center line). Shipping is therefore warned to proceed in the center of the channel if possible.

France:

The former French armored cruiser, WALDECK ROUSSEAU (of no operational value) sank on 9 Aug. in Brest roads; reason unknown.

Gun boat DUMONT d'URVILLE has been ordered to proceed from Tahiti to New Caledonia.

From an Admiralty radio message it appears that the air service between Dakar and Natal is not functioning.

Own Situation

Foreign Waters:

The Naval Attache, Tokyo reports that the supply ship HAVELLAND arrived at Yokohama from Mexico.

No news from the auxiliary cruisers.

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Norway:

Of the special vessels sent out for operations against merchant shipping in the North Cape area, Ship "7" is proceeding to Tronsoe to take on coal and Ship "18" is proceeding to Vardoe, under instructions from Group North, to carry out from there merchant shipping control on the Petsamo - North Cape route in accordance with sighting reports from land and agents' reports from Petsamo.

Transport traffic on the west coast of Norway according to plan.

North Sea:

The 1st, 15th and 16th Minesweeper Flotillas are check-sweeping routes in the southern part of the North Sea. The river mouths were searched without result. Submarine chase by the 12th Submarine Chaser Flotilla off the west Frisian Islands without result.

Channel/Atlantic Coast:

Boats of the 2nd and 4th Motor Minesweeper Flotillas are at advanced positions in the Channel for sea-rescue service. No operations by PT boats as they too are in readiness for sea-rescue service. On the morning of 13 Aug. there was a brief exchange of fire between boats of the 32nd Minesweeper Flotilla and two enemy PT boats off the mouth of the River Maas. After two brushes, the enemy PT boats withdrew to the west.

During Commander in Chief, Navy's last visit to Cherbourg, the PT boat formations expressed their regret that so far there appeared to have been no successes as a result of their various minelaying operations. This attitude of the PT boat formations is understandable as there have been no definite reports of successes, apart from the sinking of some trawlers. Available information shows, however, that the indirect effects of the minelaying are upsetting the enemy considerably, and there is also evidence of direct effects by hits. Captured French material clearly reveals that the enemy is making every effort to conceal any effects of minelaying operations. This, of course, is easier to do now than it was last winter owing to the lack of any neutral shipping.

It is characteristic of the mine that its effect is very

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difficult to recognize and its use therefore demands not only considerable foresight, but also a strong and conscious conviction of its usefulness and of a success corresponding to commitment. This point of view has been expressed to Commander, Torpedo Boats and to the PT Boat Flotillas in a letter from Naval Staff, their patient efforts so far being specially acknowledged.

Skagerrak/Kattegat/Western Baltic:

Exploratory sweeps according to plan, without results.
Escorted transport traffic to Norway without incident.

Mine Situation:

The steamer HUELTER struck a mine on 12 Aug. north of Warnemuende and was damaged.

Submarine Situation

U "56" on return passage to Lorient, otherwise no changes in the operational area.

On passage: U "48", "65", "51", "100", "101", "28".

Submarine Successes:

On returning to her home base, U "52" reported having sunk 41,600 tons (5 steamers, 1 tanker, 1 auxiliary cruiser) in the course of operations from 8 June to 13 Aug., during which she called at Lorient to take on torpedoes and fuel.

Air Situation

See Air Force Events of the Day.

Start of the intensified air war against Great Britain. Operations by the 2nd and 3rd Air Forces have been hindered by the sudden unforeseen change in the weather. The Air Force and Navy weather services' "further outlook" forecasts were not confirmed. No weather reports have been received

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from the Central and Western Atlantic. In view of the special importance of these reports for the air war, the attention of Commanding Admiral, Submarines has been called to the need for daily transmission of reports by submarines from the area between 55 to 60° N and 20 to 25° W.

Air Force attacks are directed mainly against enemy fighter defense, airfields and the aircraft industry. Alternative targets are industrial plants and port installations. During a British air raid on Aalborg, 15 of the 23 raiding planes were shot down, some by anti-aircraft fire and some by fighters.

The 9th Air Division laid aerial mines off numerous British harbors.

The following units were transferred on 12 Aug. to reinforce the sea-rescue service:

3rd Coastal Patrol Squadron,	406th Group	from Hoernum to Norderney;
2nd " " "	906th Group	from Hoernum to Schellingwoude;
1st " " "	106th Group	from Norderney to Flushing;
2nd " " "	106th Group	from Brest to Cherbourg;
1st " " "	196th Group	from Wilhelmshaven to Boulogne.

Mediterranean

Nothing to report. The battleship ROYAL SOVEREIGN sailed from Alexandria; probably proceeding through the Red Sea to support operations in British Somaliland.

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Items of Political Importance

France:

In a broadcast, Marshal Petain enumerated the most important immediate tasks as follows: purging of the French administration, guaranteeing food supplies, return of refugees, solution of the prisoner of war problem, demobilization, expansion of the Youth Organization, promotion of the family.

Spain:

The Spanish Government has officially protested against Great Britain's decision to extend the blockade to Spain.

Finland:

In view of allegedly continued Russian military transport traffic to the Caribbean (Carelian? Tr.N.) Isthmus, Finnish military circles expect that a Russian offensive against Finland will begin shortly.

Italy:

Sharp Italian press campaign against Greece because of the assassination of the Albanian nationalist Hoggia. The Italian Foreign Ministry takes the stand that Greece has completely subjugated herself to Great Britain (British ships may use her coast, islands and bays, espionage activities).

However, for the time Italy does not intend to resort to military action against Greece.

U.S.A.:

Transfer of destroyers:

According to information from our Ambassador, the sale of warships calls for congressional legislation. This is also the official opinion. The sale would be contrary to the law of 15 June, 1917, which specifically prohibits such sales. Moreover, the law of 28 June, 1940 calls for a certificate from the Chief of Naval Staff that the warships sold are not required for national defense.

Conference on the Situation with Chief, Naval StaffSpecial Items:

1. Chief, Naval Staff reported on the result of discussions with the Fuehrer on 13 Aug. In regard to the fortification of Northern Norway as demanded by the Fuehrer, with a view to protection against the east as well as against British threats to ports and coastal roads, Chief, Naval Staff has ordered that commencement of the necessary preparations be expedited.

It is planned to establish an Admiral, Northern Norway; coastal defense is to be expanded by setting up available 13 or 15 cm. coastal batteries. The expansion of the communication network is important.

Commanding Admiral, Norway and Group North have been briefly advised of Naval Staff's plans and have been asked to make preliminary surveys and suggestions in regard to the new task in Northern Norway.

2. Operation "Seeloewe":

a. In a discussion with Field Marshal Keitel and General Jodl, Chief, Operations Division, Naval Staff again outlined the views of Naval Staff. While Chief, Armed Forces High Command feels that it would still be possible to carry out the operation on a broad front and evidently fails to realize fully the actual interests of naval warfare and the difficulty of the transport operation, General Jodl generally agrees with Naval Staff and has a very clear conception of the difficulties and the operational and navigational aspects. General Jodl, too, is of the opinion that only a landing on a narrow front would have any real prospect of success.

b. Examination of the possibility of setting up 15 cm. guns on barges in order to provide artillery support during the landing has shown that barges as strong and seaworthy as would be required to carry the comparatively heavy guns are neither available nor could they be accommodated in the jumping-off ports. A particular difficulty is the lack of tugs.

Naval Staff has therefore discarded the idea of fitting up special artillery barges and considers that a better solution would be to equip the 27 coastal motor ships,

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which were originally intended for the transport of armored cars, as nobile gun carriers, arming them with 7.5 cm. and 3.7 cm. guns (to be provided by the Army and the Air Force). Moreover, the coastal motor ships have a greater freedom of movement by reason of their speed and can be transferred to one point or another on the coast as the situation requires. Personnel to man the guns on these converted motor ships would be furnished by the Army and Air Force. Conversion of the vessels can be completed by about 1 Sept. Army personnel will be trained in naval gunnery (defensive) by brief courses of instruction at the Ship's Gunnery School.

Plan: To transfer all craft to ports in Holland and northern France at the beginning of September for use there as floating anti-aircraft batteries.

c. The use of smoke screens for the protection and camouflage of embarkation operations and during the landing is under discussion. It requires careful preliminary consideration since, in the opinion of Naval Staff, large-scale use of smoke by inexperienced smoke-carriers and personnel would rather have disastrous consequences than the desired effect. Irregular air currents, just such as may be expected during the calm weather required for Operation "Seelowe", would increase the danger of inept use of smoke. Large-scale use of smoke even during embarkation operations is considered inadvisable since, while it would prevent detailed observation by the enemy, it would betray the fact that a special operation was in progress. In addition, the whole embarkation could be upset by badly placed smoke screens. Naval Staff will therefore take no steps to provide large-scale smoke screens for the transport fleet or at the embarkation points, though a number of smoke installations will be assigned to Commanding Admiral, France for use on the coast in order to establish certain tactical facilities in special cases.

d. The question of equipping craft with depth-charge projectors to be used against the invasion coast (to breach land mine barrages in the shallows and to damage enemy forces on the coast) has been examined by Naval Staff and after due consideration of advantages and disadvantages, rejected, especially since the limited range of the depth-charge projectors makes any effective result unlikely.

For instructions to Naval Staff, Service Division and Bureau of Naval Armament, Naval Ordnance Division on subjects 2 b. to d. see file "Seelowe", Orders Nos. 35-36.

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In the afternoon Chief, Naval Staff called at the Fuehrer Headquarters for a meeting of the newly-appointed Field Marshals and for discussions. The Fuehrer stated that he does not intend to carry out an operation if the risk is too great, as he considers that the aim of defeating Great Britain is not exclusively dependent on invasion, but can also be achieved by other means. Whatever final decision may be taken, the Fuehrer wishes that in any case the threat of invasion be maintained.

Preparations are therefore to be continued.

During a conversation with the Reichsmarschall on the execution of the operation, Chief, Naval Staff outlined the difficulties of the landing on a broad front and the need to confine the action to the Strait of Dover, pointing out the disadvantages which would be entailed for the Air Force also by a landing on a broad front. The Reichsmarschall concurred entirely with Chief, Naval Staff's assessment of the situation.

Following the conference with the Fuehrer, Chief, Operations Division had another discussion with General Jodl, in the course of which he expressed the following views of Naval Staff:

1. If the Fuehrer is inwardly resolved not to carry out Operation "Seelowe", but to maintain the pretence of an invasion, it is suggested that "Seelowe" be canceled, with strictest secrecy, thus greatly relieving the economic situation. Instead, a special deceptive operation could be arranged so as to maintain the threat to the enemy.

2. If the Fuehrer insists upon executing the operation, it is suggested that the landing be confined to a narrow front, but that preparations be continued on a broad front.

3. The idea of landing large forces near Brighton, as desired by High Command, Army, should be abandoned since continuous bringing up of supplies and troop reinforcements is impossible in this area.

General Jodl concurred in general with these views.

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Situation 14 Aug.

Special Reports on the Enemy

Great Britain:

Atlantic:

Air reconnaissance and radio monitoring identified various convoy movements in the North Atlantic. On 12 Aug. convoy HX 65 sailed from Halifax with a destroyer as local escort and auxiliary cruiser VOLTAIRE as ocean escort.

According to radio intelligence, the senior naval officer of Task Force "H" at noon on 13 Aug. ordered a rendezvous of the detachments of Task Force "H" for 1900 on 16 Aug. at 41° N, 21° W. The order has been sent to Admiral, Aircraft Carriers. This indicates that it is planned to assemble the now detached groups of the Task Force.

The report was transmitted to Commanding Admiral, Submarines, who has sent out submarine U "A" against Task Force "H" at the point of rendezvous.

No reports on the enemy from the South Atlantic.

Indian Ocean:

The cruiser CAPETOWN entered Colombo on 13 Aug.

North Sea:

Aircraft carrier FURIOUS plans to sail from Scapa via Hoxa Sound on the morning of 15 Aug., escorted by destroyers.

British destroyers off Vlieland engaged German vessels.

Naval trawler ELIZABETH ANGELA (253 tons) was probably sunk by a mine. Naval trawler LORD MELCHETT was seriously damaged by a mine explosion in the Humber area. The Admiralty also announces the loss of minesweeper trawlers TAMARISK (550 tons) and PYROPE (295 tons) by bombing.

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Own Situation

Foreign Waters:

For unknown reasons, Ship "45" proceeded to Teriberka Bay for instructions; she has therefore received orders once more to proceed to Matoshkin Shar (Cape Lagernaya) for rendezvous with icebreaker LENIN.

There have been no reports from the other auxiliary cruisers. Ships have been advised on the enemy situation (radiograms 0838, 0754).

Norway:

Ships "7", "18" and "47" were sent out against Finnish and British mail steamers.

Tanker DITHELSCHEN returned to Trondheim as planned.

Further German barrages were laid in Trondheim-Leden. Sweeping of British mines was continued in the Eggersund area.

Tanker and transport traffic along the Norwegian coast without incident.

North Sea:

At 0315 the 12th Submarine Chaser Flotilla, on anti-submarine operations off the west Frisian Islands, had an engagement with two enemy destroyers off the coast of Vlieland (according to Reuter report, destroyers MALCOLM and VERITY). Four submarine chasers received one hit each. The destroyers withdrew after a brief exchange of fire. Submarine chase was broken off; no results were achieved. It is presumed that the enemy destroyers have laid mines. Minesweeper forces will be sent out.

At 0800 a minelaying unit consisting of minelayers ROLAND, COBRA and TAMMENBERG, escorted by two destroyers and six torpedo boats, put to sea to lay barrage "Suedwest 2". For the further protection of the unit extensive air reconnaissance has been ordered over the southern part of the North Sea and the Hoofden. Weather is favorable for the operation.

The 1st and 15th Minesweeper Flotillas swept Routes "Blau" and "Gruen" without result. Motor minesweeper

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R "21", engaged in marking positions of mines, struck a mine on Route "1" and was seriously damaged.

The 2nd Minesweeper Flotilla is en route to Helder having completed search sweeping Route "Rot" and will be assigned to Group West.

Channel/Atlantic Coast:

PT boats and motor minesweepers are extensively and successfully engaged on sea-rescue service.

The 38th Minesweeper Flotilla was engaged in sweeping operations off the French coast and exercises with engineers.

The 3rd Motor Minesweeper Flotilla is at Helder.

Skagerrak/Kattegat/Western Baltic:

Patrol of the Skagerrak and Kattegat and transport traffic to Norway according to plan and without incident.

Enemy planes flew over the Jutland area and the Western Baltic (as far as Stettin Haff and Swinenuende) by night and dropped a few bombs; minelaying is suspected in the northern part of the Kattegat.

Submarine Situation

In the operational area: U "30", "38", "46", "48",
"59", "60", "65".

U "A" is on operation at the rendezvous of Task Force "H" despite heavy damage to both Diesel engines.

On passage: U "28" in the northern North Sea, U "51", "101" west of the Shetlands.

Submarines off the North Channel have been advised of the convoy located by air reconnaissance.

Systematic and widespread air reconnaissance in our

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submarines' operations area should be of great assistance to their operations.

U "65" reports the death at sea of the Irish General Roessel, who was to have been landed on the Irish coast. Execution of this special mission thus unfortunately becomes unnecessary.

Air Situation

Intensified air operations against Great Britain were continued. However, the weather permitted of small-scale operations only. Attacks on airfields, troop encampments and radar installations.

Supplementary evaluation of the day and night attacks on 13 Aug. reveals good results. Five out of the nine airfields attacked were very effectively destroyed. The enemy lost a total of 134 planes and 15 barrage balloons; our own losses numbered 34. The Air Force General Staff is satisfied with these results. Present plans must be carried through at all costs, tactics being changed in view of the weather conditions. The Air Force reports that between 8 and 13 Aug. fighter losses amounted to 58 German and 302 enemy planes.

Mediterranean

Nothing to report.

It is remarkable that the Italians have not yet succeeded in eliminating the British air base on Malta, which is still the base for British air operations against Italy.

According to a report from the Italian Naval Staff, only the light and medium artillery on the new battleships is ready for action. The ships will not be fully ready for action until the beginning of September. It is to be assumed that Italian operations against Suez will not begin until the heavy battle units are in full readiness.

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Items of Political Importance

Great Britain:

For broadcast by War Minister Eden, see Political Survey No. 190. Eden prophesied a long war for which the British Empire is now beginning to develop its full power. Control of the seas by the British Fleet and by air power equal to that of Germany would guarantee victory. "Sea power is a stronger weapon than land power, which is limited in range. With overpowering air strength Germany hopes to gain victory, without naval power. Great Britain, However, knows that superior naval power, together with rapidly increasing air strength, is much more valuable."

Press speculations in regard to a German invasion continue. The possibility of a landing on the northeast coast of England, probably from Norway, is also discussed. The intensified air attacks are seen as preparation for invasion and the activity of German minesweepers in the Channel is also rightly interpreted as another indication. It is claimed that a concentration of ships in the Baltic Sea and the Norwegian fjords has been observed.

France:

France's attitude is regarded in Italy with increasing dissatisfaction. The demobilization of troops is considered inadequate, the situation in Djibuti and Tunis completely unsatisfactory. Our Ambassador in Rome reports that the Italian Foreign Ministry is now considering whether, in view of the failure to demobilize French troops in North Africa (especially in Tunis), the Armistice agreement could be denounced on grounds of non-compliance and further French areas in the Alps and Southern France occupied. However, the Duce has instructed the Italian press to show restraint for the time being.

Great concern is still felt also in the Spanish Foreign Ministry over French West Africa, according to the German Ambassador. The Armistice terms are not being fulfilled there in any way. On the contrary, considerable military forces are being assembled with British assistance. The Axis powers should take strong steps to enforce disarming.

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Conference on the Situation with Chief, Naval Staff

Special Items

1. General matters regarding Operation "Seelowe".
 2. Brief discussion of the Russo/Finnish question.
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Situation 15 Aug.

Special Reports on the Enemy

Great Britain:

For a survey of British home forces, see file "Seelowe" No. 27a. This shows the British home forces to be divided as follows:

- a. Coastal defense troops, including the main part of the territorial divisions that have not yet had combat experience.
- b. Mobile reserve units, including the main part of the active divisions, both tank divisions and the majority of the motorized infantry divisions.

(At present about 20 divisions are believed to be fully ready for action.)

- c. Regional defense units, home guard and training forces.

North Atlantic:

Cruisers NORFOLK and AUSTRALIA are still at sea with the Northern Patrol, evidently in the Iceland area.

Commander, Western Approaches issued orders for a convoy rendezvous on the morning of 16 Aug. at 58° 15' N, 17° 20' W. (about 300 miles west of the Hebrides).

Aircraft carrier ILLUSTRIOUS was at sea on 15 Aug. It is not yet clear whether she is already making for the Mediterranean. A report from Land's End reveals that the approach to the Bristol Channel has been mined.

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The British steamer CORANTON (6,690 tons) reported on the morning of 15 Aug. that she was being pursued by a suspicious vessel. Position 40° 11' N, 44° 04' W. Ship "21" may be involved (she has been informed).

Central Atlantic:

According to investigations by Naval Intelligence Division, the steamers forming the Gibraltar convoys come from the Spanish Atlantic and Mediterranean coasts or from Portuguese ports. There have been no steamers from ports other than Spanish in the convoys, so that it appears that there is no merchant traffic passing through the Sicilian Channel and penetrating the Italian patrol line.

An Italian report states that the aircraft carrier ARK ROYAL, escorted by three destroyers, left Gibraltar on the evening of 14 Aug., westward bound.

The Admiralty announces the loss of the auxiliary cruiser TRANSYLVANIA (16,923 tons) by torpedo from a submarine. (U "34").

North Sea:

The usual minesweeping activity was established off the east coast of England. A minesweeping unit was on operation 45 miles east of Lowestoft.

The cruiser AURORA and destroyers were at sea in the Scapa area on 14 Aug., evidently for firing practice.

Radio intelligence established one British submarine in the northern and one in the central North Sea and two in the area north and northeast of Texel respectively.

France:

According to information from the French Armistice Commission, demobilization of the French Fleet now extends to the release not only of all reservists but also of some regular personnel. Personnel, including the naval air force and coast defense, will soon be reduced to 56,300 men, including 3,300 officers. Thus more than $\frac{2}{3}$ of the war strength of the French Fleet will be released. The Command Station of the naval forces in the Far East is to be dissolved on 15 Aug. and will come under the Commander of the Indo-China Naval Station. The gun boats in China are under the Command Station, Hanoi.

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Neutrals:

Spain:

A report from Las Palmas states that coastal defense has been reinforced and guard of the harbor oil installations strengthened. Fairly large amounts of aviation gasoline and numerous planes are reported to have arrived in the Canaries.

Own Situation

Foreign Waters:

There have been no reports from the auxiliary cruisers. The ships have been informed of the enemy situation (by radiograms 2116 and 1010).

Norway:

The immediate transfer of the mountain infantry regiment from Tronsøe to Kirkenes is planned as part of the program for reinforcement of northern Norway. Naval Shore Commander, Arctic Coast has asked for patrol forces and seaplanes for the escort of transports.

It is impossible to fulfill this request as there are no patrol or naval air forces available at present for this purpose. Only Ships "7", "18" and "47", now in the North Cape area, are available.

Harbor clearance work in Narvik is in full swing. The steamer PLANET has been raised.

Movements of supply ships and transports along the Norwegian coast according to plan. Supply ship DITHMARSCHEN put in to Trondheim in the evening to hand over oil.

North Sea:

The minelaying unit laid barrage "Suedwest 2" as planned during the night of 14 Aug., the 1st PT Boat Flotilla made a sortie against a convoy on the route Portland/Start

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Point. The boats had an engagement with British destroyers south of Portland; no hits were scored and the enemy was shaken off.

No night operations by the 2nd PT Boat Flotilla because of the weather.

On the afternoon of 15 Aug. there was an explosion in the torpedo shed of the PT boats at Ostend. The torpedo store was destroyed. PT boats S "24", S "23" and S "35" seriously damaged and S "37" slightly damaged. More than 40 torpedoes were destroyed. Sabotage is suspected.

Investigations are under way.

The loss of the torpedo store is especially serious in view of the present shortage; also, with three PT boats out of action for some time, operational plans will be badly upset, as there is a shortage of boats in the Channel.

The PT boats and motor minesweepers lying in readiness for sea-rescue are doing valuable work picking up the crews of planes shot down. Nevertheless, the sea-rescue service can be carried out only as a secondary service whenever possible. In view of operation "Seelowe", minesweeping must be given priority. Commander, Minesweepers, West has received relative instructions and has been asked to report the effect of the air war on operational possibilities for our minesweepers and motor minesweepers in the Channel, as this will decisively influence the question as to whether the deadline fixed for operation "Seelowe" can be met at all.

The 38th Minesweeper Flotilla carried out exercises with the Army and minesweeping in the area of Zeebrugge/Cape Blanc Nez.

The 3rd Motor Minesweeper Flotilla transferred to Ostend and the 2nd and 4th Motor Minesweeper Flotillas to Boulogne.

Large fires were started by British air attacks on fuel depots north of Bordeaux. For detailed report by Admiral, Western France, see Situation Report 2000. The reinforcement of anti-aircraft defense in the Bordeaux area is necessary and is specially important in view of the transfer of Italian submarines to this port.

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Skagerrak/Kattegat/Western Baltic:

Nothing special to report.

Patrols, exploratory sweeps and transport traffic are proceeding according to plan.

Patrol boat Vp "104", equipped with magnet gear, was damaged in the Langeland Belt by detonation of a mine at a distance of 50 meters.

Submarine Situation

U "60" returning to Lorient after sinking two steamers totaling 12-14,000 tons. No other changes in the operational area.

U "32" left for operations.

Commanding Admiral, Submarines has ordered a new area division off the North Channel for areas "A" - "J" (for detailed data see radiogram 1531). The Fuehrer has awarded the Knight's Cross of the Iron Cross to the Commanders of U "30" (Lt. Leap) and U "38" (Lt. Liebe) for outstanding accomplishments in submarine warfare.

Air Situation

See Air Force Events of the Day.

Attacks were continued on planes and the aircraft industry. On 15 Aug. weather conditions became suitable for operations by major formations in the late morning and afternoon.

The Air Force reports that good or very good results are expected in general. 110 enemy planes and 8 barrage balloons were shot down during air battles, 40 of our own planes being lost. There is a remarkable tendency by British propaganda to depict the German air campaign against Great Britain so far as a great British victory and the German losses as extraordinarily high. The British Air Ministry announces the loss of 144 German

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planes as against only 27 British planes.

Mediterranean

Nothing special to report.

The cruiser KENT, previously in the Indian Ocean, is now in the Mediterranean and has replaced the cruiser CAPETOWN.

The Italian offensive in British Somaliland is continuing successfully. The advance on the coast was hindered to some extent by British naval bombardment from the sea.

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Items of Political Importance

Great Britain:

Intensified air attacks are generally regarded as preparation for invasion. The scale of the attacks is expected to increase daily.

According to American reports, the French and British authorities have reached an agreement on the fate of the French Fleet forces in the West Indies. The forces will be disarmed and the gold on board the ships will be deposited in Fort St. Louis. Demobilization of land forces is being continued. No decision has yet been reached regarding the 100 planes aboard the aircraft carrier.

News items in the British and American press allege that Great Britain has offered the island of Trinidad or the West Indies to the U.S.A. in exchange for delivery of destroyers and PT boats. This is at present nothing but a press report and there is no official confirmation. However, it is not to be excluded that the United States might agree to give active support to Great Britain in return for corresponding territorial concessions.

Greece:

On the morning of 15 Aug. the Greek cruiser HELLE was torpedoed by an unidentified submarine off the island of Tinos in the Aegean Sea (southeast of Athens) near the harbor and within Greek territorial waters; the cruiser sank. The British Admiralty has announced that no British submarine is operating in that area.

The Liaison Staff in Rome considers it possible that an Italian submarine may have sunk the cruiser in mistake for a British destroyer. This incident has aroused great alarm in Greece, since further Italian measures or demands are anticipated. There is also grave concern in Turkey, since any attack on Greece would inevitably entail Turkish intervention, with British aid, in support of Greece.

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Conference on the Situation with Chief, Naval Staff

General discussion on Operation "Seeloewe".

According to a report by Naval Staff, Service Division, Transport Branch on the requisitioning and preparation of transport vessels, concersion work can be completed by 1 Sept.

Situation 16 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

The battle cruiser RENOWN was detected at sea on 15 Aug., probably in the Orkneys-Iceland area. According to radio intelligence, the following auxiliary cruisers were with the Northern Patrol on 16 Aug.: WORCESTERSHIRE, FORFAR, LAURENTIC, DERBYSHIRE and one unidentified auxiliary cruiser.

Lively convoy and escort activity was detected on the North Atlantic route and off the North Channel. Convoy HX 63, which was expected on the morning of 16 Aug. about 360 miles west of the Hebrides, consists of 52 ships. The rendezvous position has apparently been shifted about 60 miles northwards. However, two steamers were sunk near the old rendezvous (possibly ships from another convoy). Radio traffic clearly reveals the presence of our submarines. Destroyers and trawlers were sent out against them.

On 14 Aug. auxiliary cruiser CELICIA was on the latitude of Brest, at 19° W, northward bound.

South Atlantic:

There are no new reports.

Indian Ocean:

The old battleship ROYAL SOVEREIGN and three vessels, probably destroyers, put in to Aden on the afternoon of 16 Aug.

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An operation in support of the defense of British Somaliland is possible.

Northern Waters:

No enemy activity.

North Sea:

Vessels at sea in the Scapa area included cruisers NAIAD and BONAVENTURA. Commander, Destroyer Units carried out firing exercises. Patrol activity by destroyers and gun boats off the east coast. The Humber is temporarily closed. Minesweeping is being continued. A sinking vessel was reported between Humber lightship and Chequer Shoal Buoy. From minesweeping activity and radio traffic (see Radio Monitoring Report 1730 of 15 Aug.) it is deduced that the British are specially interested that certain areas important for their sailing directions be free of mines (for instance: clearance of mines in the area 52° 19' N, 2° 55' E, 52° 28' N, 3° 12' E). This makes it specially urgent to lay mines between this area and the eastern edge of the British declared area.

The attention of the Group Commands and Commanding Admiral, Submarines has been called to this situation.

Lively enemy air activity over the occupied coast. Aerial mines were dropped in the mouth of the Loire.

A balance of shipping space available to Great Britain is given in report 14/40 (Foreign Merchant Shipping) by Naval Intelligence Division, Foreign Merchant Marine Branch). According to this survey, which goes up to the end of July, British and foreign tonnage available to Great Britain in ships over 2,000 G.R.T. amounted on 31 July 1940 to:

14,904,000 G.R.T. vessels other than tankers
4,797,000 G.R.T. tankers

altogether 19,701,000 G.R.T. shipping space.

From this statement it must be concluded that acquisition of tonnage is no longer a problem to Great Britain and that the above tonnage is considered adequate, even taking account of the fact that capacity is considerably reduced as a result of normal use being much more difficult, e.g. through

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proceeding in convoy, delayed clearance in port and extended passages due to loss of the European supply countries and closing of the Mediterranean, as well as through the increased number of ships out of action and needing repair. It is now a problem of supplies rather than tonnage. The interruption of supplies by submarines, surface forces and the Air Force, as well as the increasing threat and damage to British ports, are causing a growing shortage of imports and making clearance in the harbors more difficult. The disruption of British supplies is thus becoming more and more serious.

Neutrals:

U.S.A.:

The American troop transport (auxiliary cruiser) AMERICAN LEGION, with repatriated American citizens, put out today from Petsamo for New York. The ship's markings and course will be announced by the Foreign Office. In spite of express protest by Naval Staff and Air Force Operations Staff, the ship will enter the American closed zone and thus the operational area around Great Britain. The reason for taking this course, which runs between North Rona and Cape Wrath to $46^{\circ} 30' N$, $53^{\circ} W$ is obscure. It is rumored that a Norwegian princess is to be taken to Great Britain by this steamer. Possibly America merely intends to demonstrate that she can sail in whatever areas she likes.

The German press and radio are giving wide publicity to this matter, disclaiming any German responsibility.

Own Situation

Foreign Waters:

There are no reports from the auxiliary cruisers. As a guide for operations, the following plans of Naval Staff for the auxiliary cruisers have been forwarded to the ships:

Ship "21" (v. Ruckteschell) North Atlantic, in conformity with sea endurance. Supplies from the tanker RECUM again at the end of September, "Lanzerote" area.

Ship "10" (Kaehler) South Atlantic, later North Atlantic, if

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considered appropriate, in conformity with sea endurance. Supply by Etappe South America at end of October.

Ship "16" (Rogge) previous operational area in conformity with sea endurance; from 1 Nov. only west of 80° E. Necessary return passage or request for supplies in good time, with report to Naval Staff, so that ship can be temporarily assigned operational areas in the Atlantic.

Ship "36" (Weyher): Details are expected through the INTECOM. Naval Staff counts upon overhaul having been completed. Refueling at secret rendezvous in the South Sea at end of Sept. Return through Indian Ocean. Temporary assignment of operational areas in conformity with seaworthiness; supplying is planned during return passage. Look out for operational area of Ship "33".

Ship "33" (Krueger) arrive Australia by end of Sept. at the latest; there during October; limits east of Australia 25° S, 165° E; November eastern part of the Indian Ocean; from December, thrust into Antarctic, then western part of Indian Ocean or Atlantic according to current situation.

Ship "45" (Eyssen) Naval Staff expects the ship to arrive in East Asia about the beginning of October. Supply at secret rendezvous in the South Sea in compliance with Ship "45"'s request; report passage through the Behring Strait to Naval Staff. Transfer of operations to the Australian area from 1 Nov. according to own judgment. After operations in that area, thrust into Antarctic, then eastern part of the Indian Ocean.

Norway:

Nothing to report. Mines were observed west of Haugesund in the channel between the islands of Hvaloe and Indrevaer (presumably laid by British submarines).

In view of the ordered transfer of large Army Units to the north and the lack of available forces, Commanding Admiral, Norway has requested assignment of escort forces, i.e. the 3rd minesweeper Flotilla and three transport ships.

Escort forces for the transfer to northern Norway of large Army units cannot be made available until a decision has been made in regard to operation "Seelowe" or until "Seelowe" has been executed.

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If transportation is essential, it will have to be effected without escort. High Command, Army, Commanding Admiral, Norway and the Groups have been advised accordingly.

North Sea:

Submarine chase off Texel by the 17th Submarine Chaser Flotilla and check sweeps by units of Commander, Minesweepers according to plan.

Channel/Atlantic Coast:

The 2nd Minesweeper Flotilla is en route from Ostend to Cherbourg. The 38th Minesweeper Flotilla carried out special exercises with engineers. Motor minesweepers and PT boats at advanced positions are successfully performing sea-rescue service for the Air Force. On the evening of 15 Aug. a vessel of the 38th Minesweeper Flotilla was damaged by a mine explosion in the harbor entrance of Boulogne and was beached.

Enemy planes mined the mouth of the Loire during the day.

Lively enemy air activity over the French coast has led to a request by Commanding Admiral, Submarines for reinforcement of the anti-aircraft defense of Lorient as the main submarine base.

Reinforcement will be provided insofar as conditions allow.

According to a report from Admiral, Channel Coast, the destruction of the torpedo store at Ostend was most probably due to sabotage. The report (see teletype 1600) reveals that up to now the required defensive and security measures have not been enforced with the necessary strictness and consistency. Naval Staff cannot comprehend, for instance, the extensive freedom of movement still permitted to aliens - even British and French - in spite of the great military importance of the base.

Skagerrak/Kattegat/Western Baltic:

Nothing special to report. Patrol, check sweeps and transport traffic according to plan.

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Submarine Situation

In the operational area: U "22", U "30", "38", "46", "48",
"59", "65", "100", "101", "51".

Area assignments: U "59" to operational area "A"
U "100" " " " " "B"
U "101" " " " " "D"
U "51" " " " " "F"
J "65" " " " " "J"
U "28" " " " " North
Minch.

Three of these submarines, however, have already had to return to Lorient: U "59", after submarine chase in which hydrophones were damaged (she sank a 4,500 ton steamer); U "65" reports increasing oil trace; U "51", faults in electrical installation.

On passage: U "32" and "57".

In Lorient: U "37", "56", "58", "99".

Submarine Successes:

Radio intelligence reveals highly satisfactory results:

Sunk: British steamer CLAN MACPHERS (6,628 tons), Dutch passenger steamer ALCINOUS (6,189 tons), Swedish steamer HEDRUP (2,325 tons), British steamer EMPIRE MERCHANT (4,864). According to Reuter: Swedish steamer ARTOS (not listed at Lloyd's). According to the American press: British steamer FELLSIDE (3,509 tons) sank in the Atlantic on 17 July.

Air Situation

See Air Force Events of the Day.

During the night of 15 Aug., successful continuation of air raids on British aircraft and armament plants and on searchlight stations and port installations. On 16 Aug. planned attacks were prevented to a great extent by the weather. Most of the formations had to return without having dropped bombs. Some successes against airfields. The 9th Air Division carried out minelaying operations

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off ports. Altogether 92 enemy planes (including 76 fighters) and 15 barrage balloons were destroyed as against 38 losses on our part. A total of 1,715 planes was engaged in the operations.

Mediterranean

See Situation Mediterranean.

Nothing special to report.

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Items of Political Importance

Germany:

The German Government delivered to the neutral Governments concerned the notes prepared by Naval Staff and the Foreign Office on the intensification of operational measures in the waters around Great Britain. (For details, see War Diary, Part C, Vol. VIII.)

Naval forces are permitted offensive action in accordance with para. 4a of the new "Instructions for War against Merchant Shipping" in the sea area indicated in the note as from 21 Aug. (i.e. five days after today's delivery of the note).

Balkans:

Agreement in principle on the return of southern Dobruja to Bulgaria was reached in the course of the negotiations between Rumania and Bulgaria. Discussion of details continues. The Rumano-Hungarian negotiations are encountering difficulties because of Hungary's extensive demands. If the discussions fail, a court of arbitration of the Axis powers is to be called in.

U.S.A.:

A British report confirms the news from America that the United States have entered into negotiations with Great Britain for the acquisition of military bases in the western hemisphere (possibly in the Bahamas, Jamaica and Trinidad). According to a Daventry broadcast, this would not involve cession but would be on the basis of a 90 years' lease. The acquisition of these island groups is strongly advocated in the United States with special reference to their value in the protection of the Panama Canal. The lease question is evidently connected in some way with the discussions on the transfer of U.S. destroyers to Great Britain.

According to a statement by Roosevelt, discussions are now being held between the United States and Canada on the subject of defense of the western hemisphere.

Finland:

Minister Tanner, who is to be regarded as the life and

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soul of the resistance against Russia, has resigned. The Finnish Government evidently hopes to prevent imminent Russian action by making extensive concessions.

The General Staff assesses Finnish powers of resistance as follows: Present strength of the Finnish Army: 15 divisions and 130,000 men, increase to a total war strength of 300,000 is possible. Armament inadequate, great shortage of ammunition, Air Force insignificant. Army and people, though tired, are willing to fight. Communistic disintegration not yet effective. It is to be expected that fierce resistance at first will soon be followed by collapse.

Conference on the Situation with Chief, Naval Staff

Special Items

1. Report on the directive of Armed Forces High Command dated 16 Aug. 1940 containing the Fuehrer's decision to continue preparations for Operation "Seeloewe" to take place on 15 Sept. The decision whether or not to carry out the operation depends on further clarification of the overall situation. Preparations for a landing in Lyme Bay are to be discontinued because of the impossibility of adequate protection. Shipping is to be assembled along the coast from Ostend to Le Havre in order to avoid concentration in harbors near the enemy coast and in order to deceive the enemy in regard to our operational plan. According to the directive, preparations are to be arranged so that a crossing even on the narrow front could be made at eight days' notice. On the other hand, they must also leave open the possibility of one crossing in the direction of Brighton without heavy equipment being brought up later.

Contrary to previous plans, according to which a decision would be reached about eight days after the beginning of the intensified air war, the directive leaves the time for execution completely open.

In regard to the preparatory measures, the directive complies only partially with Naval Staff's demands. Though the landing in Lyme Bay has been dropped, the landing in Brighton is retained with the simultaneous demand for assembly of shipping in Le Havre. Contrary to Naval Staff's request,

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the directive is based on the main idea of a landing on a broad front, while the narrow front is regarded merely as an additional possibility. Naval Staff, however, considers the operation on a narrow front to be the fundamental solution, while landings in the area of Brighton are considered merely as an additional possibility whose execution cannot be guaranteed by the Navy. It could be gathered from the wording of the directive that heavy equipment can also be carried on a single crossing from Le Havre to Brighton. However, the possibility of doing this is very limited, as only 25 steamers and 50 barges can be concentrated in Le Havre. On the basis of the directive of Armed Forces High Command, Naval Staff still adheres to its opinion that the transport operation from Le Havre to Brighton constitutes a single crossing, without the possibility of heavy equipment or supplies being brought up later.

2. At the suggestion of Commanding Admiral, Naval Forces, West, the question of employing the old battleships SCHLESWIG-HOLSTEIN and SCHLESIEF in Operation "Seelowe" is being thoroughly investigated. Chief, Naval Staff attaches the greatest importance to having the largest possible number of guns available in the landing and operational area for the protection of the landing, since he regards each gun as a valuable addition to our strength and "one more weapon" for defense against the enemy and for support of the landing. Opinions as to the advisability of using the old battleships differ. Naval Staff, Operations Division believes that, in view of their condition, the risk of putting them into operation would be entirely out of proportion to their probable effectiveness. (Doubtful operational possibilities if the ships ran aground on sandbanks in areas with strong currents, poor security against sinking, threat from enemy submarines, PT boats and other torpedo carriers and from bombs.)

In spite of these disadvantages, Chief, Naval Staff is of the opinion that these ships - if converted - might be successfully used; he has therefore ordered an immediate investigation into the possibility of major conversion work on these ships at once, with a view to strengthening their resistance (especially against bombing), increasing security against sinking and reinforcing their upper decks.

3. Further investigation of the question of mounting 15 cm. guns on barges, in the light of a report from Chief, Naval Ordnance Division, Bureau of Naval Armament, has convinced Chief, Naval Staff that the idea is feasible.

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Chief, Naval Staff feels that the advantage of using artillery barges, which will provide support for the landing, and the value of rear cover against enemy naval forces immediately after the landing are so considerable that he insists on preparation of artillery barges with 15 cm. guns. Twenty suitable barges, each equipped with one 15 cm. gun and with space for crew and ammunition are to be made available. As far as possible the barges are to be self-propelled and have a minimum speed of 8 knots.

(For request to this effect from Naval Staff to the appropriate authorities of High Command, Navy see file "Seeloewe", Order No. 37.)

4. On the basis of para. 1 of the directive, the Group Commands, Commanding Admiral, Naval Forces, West, Commanding Admiral, France and Commanding Admiral, Submarines have been informed that the previously established (15 Sept.) is to be maintained and that naval preparations will not be subject to further change and may continue.

Situation 17 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

The NORFOLK put in to Scapa from Iceland. The AUSTRALIA is still in the Iceland area. It has now been established that the torpedoed auxiliary cruiser TRANSYLVANIA, returning from patrol service, was scheduled to put in to the Clyde on 6 Aug.

Convoy HX 66 sailed from Halifax on 16 Aug. escorted by auxiliary cruiser AUSONIA and two destroyers.

Trawlers, destroyers, gun boats and escort vessels on escort service and anti-submarine operations were reported at sea west of the Hebrides and the North Channel.

No special reports on the enemy from the South Atlantic and the Indian Ocean.

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Northern Waters:

No enemy activity. Submarine CLYDE was reported west of Haugesund.

North Sea:

It is now learned that Commander in Chief, Home Fleet issued an order to the entire Fleet on 13 Aug.: "Get up steam for one hour's readiness". This order was probably connected with the large-scale attacks by our Air Force which began on that day and which either made it appear inadvisable for the ships to stay in base or involved the danger of a simultaneous attempt at landing.

Submarines were detected by radio intelligence on 17 Aug. at the northwest corner of our declared area and in the Hoofden.

Western outlet of the Channel, Atlantic Coast:

The British Admiralty has announced the following areas dangerous to shipping:

- a. Waters of the English Channel east of a line from Bishop's Rock Light ($49^{\circ} 52' N$, $6^{\circ} 27' W$) to Chaussee de Seine ($48^{\circ} 03.4' N$, $5^{\circ} 5' W$).
- b. All waters in the Biscay Bay east of the line Chaussee de Seine ($48^{\circ} 3.5' N$, $5^{\circ} 5' W$) to Le Socoa Light near Saint Jean de Luz ($43^{\circ} 23.7' N$, $14^{\circ} 1.2' W$).

This announcement confirms Great Britain's extension of the blockade to France.

Own Situation

Foreign Waters:

Nothing special to report.

The auxiliary cruisers have been informed of the enemy situation (radiogram 1511). The attention of Prize I of Ship "36" is called to the operational area of Italian

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submarines between 30° and 40° N, east of 30° W.

Group West and Commanding Admiral, Submarines received sailing instructions for Prize I of Ship "36", which will proceed on 35° - 40° N, west of the Azores as far as 42° N and will turn into the Biscay Bay on 44° - 45° N.

Norway:

Nothing special to report. So far Army transports from Trondheim to Fauske and from Tromsø to Kirkenes are proceeding as planned.

Bergen:

Patrol boat BIENE of the Harbor Defense Flotilla, Bergen struck a mine west of Haugesund on the evening of 16 Aug. and was lost. Mines were located between Kvaløeg and Indrevaer.

Kristiansand:

Group North Plans to have the northern two miles of the Skagerrak barrage, section 3, cleared, in order to create a barrage gap off Fleckerøe. The reason for this is that at present through-passage off Kristiansand is too difficult for large ships, and through-passage only off Hanstholm is not always adequate. Furthermore, the barrage gap off Hanstholm is endangered by ground mines. Group North also requests mounting of a light battery and searchlights on Fleckerøe, for control of the barrage gap and channel marking south of Fleckerøe (see also request, radiogram 1752).

Naval Staff approves Group North's plans.

In view of the new tasks assigned by the Fuehrer in the northern Norway area, Commanding Admiral, Norway plans the following immediate reorganization:

The command Admiral, South Norwegian Coast in Kristiansand-South is to be dissolved. Rear Admiral Schenk and his staff are to be transferred to Tromsø as "Admiral, Norwegian Arctic Coast". The former post of "Naval Shore Commander, Arctic Coast" will be changed to "Naval Shore Commander, Tromsø" (Commander Jerschel).

New assignment: "Naval Shore Commander, Kristiansand South" (Captain von Bredow).

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North Sea:

Nothing special to report.

Submarine chase off Texel (17th Submarine Chaser Flotilla) without result. Minesweeping by the 1st Motor Minesweeper Flotilla on Route "1" was canceled on account of the weather. Check sweeping of the area west of Vlieland produced no results. In the evening, the 15th Minesweeper Flotilla was unsuccessfully attacked by British planes while sweeping Route "Blau".

Channel/West Coast:

In the evening a bombing attack was made on the harbor basin of Boulogne. Boats of the 3rd Motor Minesweeper Flotilla, lying in readiness for sea-rescue service, were not damaged but two of the commanders were killed. Oil tanks in Boulogne were set on fire.

The northern group of the 2nd Motor Minesweeper Flotilla set out for Brest. The 4th Motor Minesweeper Flotilla and the 38th Minesweeper Flotilla carried out special exercises with Army troops.

Lively enemy air activity is reported from the Dutch area (especially over ports and bases), also over Boulogne, Calais and Ostend. Apart from the destruction of valuable port installations and oil tanks, the enemy is undoubtedly endeavoring to obtain more detailed information on the progress of German invasion measures by systematic and continuous reconnaissance. (Movement of barges, ship and troop concentrations, mounting of batteries, minesweeping). Complete camouflage of the preparations against observation by plane is impossible.

Commanding Admiral, France reports commissioning of the auxiliary cruiser SKORPION, (1,840 tons), 22 knots, five 7.5 cm. captured guns, two machine-guns (30) ready for operation on 26 Aug. (ex-HEAVEN). Auxiliary cruiser MATTER (6-700 tons, 14 knots, one 7.5 cm. gun) is still in preparation (ex-CASAR). It is planned to have the ships operate from ports in southern Spain against merchant traffic from Spain.

Skagerrak/Kattegat/Western Baltic:

Patrol and air reconnaissance over the Skagerrak and

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Kattegat as planned. Exploratory sweep by the 17th Minesweeper Flotilla in the Skagerrak so far without result. Transport traffic without incident.

Mine Situation:

Enemy planes flew over the area between Schleimunde and Eckernfoerde Bays, as well as over the outer Kiel Estuary. Minelaying is suspected in the areas of Schleimunde Bay, outer Kiel Estuary and Howacht Bay.

Submarine Situation

In the operational area: U "1", U "30", "38", "46", "48", "101", "57", "28", "100".
U "32" en route into the northern North Sea. U "59", "60", "65", "51" en route to Lorient.

Various submarine warning and sighting reports by the enemy indicate lively activity by our boats. A trawler reports that she made a contact while on submarine chase at 55° 46' N, 7° 56' W, water depth 71 fathoms; thick crude oil was escaping and large bubbles rose to the surface.

U "A" reports 32,300 G.R.T. sunk so far. The submarine did not find any enemy forces at the rendezvous of Task Force "H". The state of her engines makes it necessary for her to return.

Submarine Successes:

Survivors of the British tanker BRITISH FAIR (5,000 tons) landed on the Azores on 15 Aug. The ship had been torpedoed south of the Azores on 12 Aug. (Italian submarine).

Special items: In connection with the intensification of the war against merchant shipping of which neutral countries were notified today, the following orders have been issued to the submarines:

From 21 Aug., immediate offensive action is permitted against all ships, including passenger steamers, in the area between the following points (except for a strip 10 miles wide off the Irish coast): 45° N, 5° W, 45° N, 20° W, 58° N, 20° W, 62° N, 3° E, Belgian coast at 3° E. Exception is to be made

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for Irish ships and those with special identification marks, whose name, cargo and course have been previously reported to the naval forces.

Air Situation

See Air Force Events of the Day. On 17 Aug. operations were largely hindered by the weather; only scattered nuisance raids were possible. On 16 Aug., the Air Force reported sinking a destroyer in the area of Portsmouth. Air Force Operations Staff estimates British fighter losses from 1 July to 15 Aug. (including crash landings, etc.) as 770 planes, 300 new planes having been brought up; British fighter strength as on 16 Aug. is estimated as about 430 planes.

Mediterranean

Nothing to report.

The British Admiralty admits the loss of submarine ORPHEUS (1,475 tons).

Colonial War

The Italian official Army communique announces the victorious progress of the battle in Somaliland and penetration of the British defensive positions.

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Items of Political Importance

Germany:

The delivery to the neutral states of the note on intensification of the war against merchant shipping was followed by an official "DNB" announcement with propaganda on the total blockade of the British Isles. The statement again describes the hunger blockade launched by Great Britain against the German people in violation of international rules of naval warfare and substantiates the need for the decision to retaliate....."As for the self-destructive British attitude, the German Government states: The beleaguered fortress is no longer Germany, but the British Isles. The unsuccessful British hunger blockade against German women and children is now answered by Germany's total blockade of the British Isles hereby announced.....With reference to the note delivered to neutral countries asking them to keep their ships away from the operational zone, the German Government further states: Unrestricted naval warfare has begun in the area around Great Britain. The whole area is mined. Planes will attack every ship. All neutral ships sailing in this area will from now on risk destruction. In future, the German Government disclaims without exception all responsibility for damage to any ships whatsoever or to persons in these areas.

(For text of the note and the "DNB" announcement see War Diary, Part C, Vol. VIII.)

While the official note to the neutral Governments was compiled by Naval Staff in conformity with operational requirements, the wording of the "DNB" declaration does not correspond with Naval Staff's views and goes far beyond what it considered justifiable from the operational point of view.

In an effort to improve the operational facilities of our submarines to the greatest possible extent and to help them by releasing from all still prevailing restrictions, Naval Staff had long ago asked the political leaders to permit action without warning against all ships and vessels in the operational area around Great Britain at the latest when warfare against Great Britain was generally intensified. The note was intended as a solemn and final warning to the neutral governments of the dangers of sending merchant shipping into British waters, which have now become the area of operations. Moreover, Naval Staff was anxious that

further intensification of submarine warfare should start in accordance with the well-tried method of a gradual and unobtrusive increase, if possible without any striking announcement. If a "DNB" declaration was necessary, it should, in Naval Staff's opinion, have contained only a warning against traversing the operational area around Great Britain, as per the note delivered, with a corresponding propaganda explanation and have been based only on the conditions of the military situation which was duly evolved. Naval Staff did not desire to have special attention called to an intensification of operations against merchant shipping starting at a given time by means of a sensational "DN" statement full of propaganda and containing a stirring description of coming naval and air operations, since the effects of the new naval and air measures can only be gradual and also since any comparison with a measure based on International Law was to be avoided in order to prevent repercussions.

Thus the propaganda declaration of "total blockade" in the form of a "DNB" statement such as has now been issued was certainly not the intention of Naval Staff and must be considered as a purely political propaganda measure, though the method of publication gives it some official character. It cannot be regarded as a declaration of blockade under International Law and was not meant as such. A fully effective total blockade cannot be enforced at this time due to the number of forces available (submarines) and the operational facilities of our Air Force against shipping targets, and this fact is undoubtedly known not only to the enemy but also to neutral countries. Even if, in the long view, when existing restrictions have been abolished, a considerable increase in sinkings can undoubtedly be expected from the full and relentless use of our submarines, a sudden and decisive intensification of operations against merchant shipping is impossible at the moment. On these grounds, Naval Staff would have deemed it advisable to refrain from laying any special emphasis by propaganda on the intensification of war against merchant shipping.

On the other hand, the use of aerial mines and submarines, in conjunction with the effect of intense air attacks on port installations, points of transshipment and economy supplies, will not increasingly enable us to force the enemy to restrict his imports to such an extent that the political leaders consider the term "total blockade", used in the propaganda statement, to be justified. In the present state of the war, and especially since the declaration was made as a "DNB" statement, protests are

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not expected from neutral countries against such a step by the German Government.

From the operational point of view, Naval Staff would have considered it more appropriate if so impressive a propaganda declaration had at least coincided with a noticeable extension of operational facilities against British merchant shipping (such as presence of 40 Italian submarines in the Atlantic, appearance of a pocket battleship, large-scale employment of the new non-contact mines, increase of our submarines to at least 100 boats).

However, the political leaders considered the moment particularly favorable for release of the statement in its present form, strongly stressing the "total blockade" as a propaganda term, especially since it was hoped that this propaganda, in conjunction with the effects of our intensified air attacks on England, would effectively deter the neutrals from further passages to Great Britain. Naval Staff nevertheless believes that the same purpose could have been achieved by a "DMB" statement in the form of a warning not to enter the operational area, as suggested by it and submitted in draft to the Foreign Office.

The political leaders are fully aware of the possibilities of operational measures within a "total blockade" and of the probably only restricted increase in operational successes at the present time. They have been clearly informed by Naval Staff that there could be no turning back from the step now taken and that definite orders for submarine warfare as part of a "total blockade", although declared only by means of propaganda, will permit of no more exceptions. Therefore Naval Staff does not regard the possible disadvantages of the "DMB" statement as great enough to dissuade the Fuehrer from its publication, especially since it was not given to Naval Staff by the Foreign Office for perusal until after it had been submitted to the Fuehrer and a few days before its announcement.

Naval Staff therefore submits to the wishes of the political leaders and does so the more easily in the belief that the only neutral state whose reaction need still be taken into account, the United States, will not, in any case, be influenced by such measures in its anti-German policy and as the form and wording of the statement must be regarded as very skillful propaganda as regards this country also - the main one to be considered.

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Situation 18 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

Convoy HM 66 and auxiliary cruiser AUSONIA were at sea in the area of Sabel Island at noon on 17 Aug., course 100°. Gun boat PENZANCE was with another convoy at about 45° N, 53° W.

Gun boat ROCHESTER reports that the fire aboard the Dutch steamer MACCIOUS, reported torpedoed on 16 Aug., has been extinguished and the ship has not sunk.

Central and South Atlantic:

No new reports on the enemy.

Indian Ocean:

The ROYAL SOVEREIGN with three destroyers sailed again from Aden on 16 Aug. after refueling, presumably for Somaliland. Cruisers CERES and CALEDON were identified in the area of Berbera.

North Sea:

No special enemy activity. British submarines were detected west of Bergen, west of the northwest corner of the declared area and in the Hoofden, while three more submarines are outward or homeward bound.

Channel:

Only enemy air activity.

Own Situation

Foreign Waters:

Ship 45" arrived at the rendezvous as planned and took on navigational data; resumption of cruise is scheduled

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for 19 Aug.

Norway:

Troop transport by patrol boats to Kirkenes according to plan. Nothing special to report on transport traffic along the coast of central and southern Norway.

The German steamer FREESE put out from Bergen on the morning of 18 Aug., northward bound, and will take up weather observation position in the area about 150 miles south of Jan Mayen.

North Sea:

In the morning a bombing attack was made on a motor minesweeper flotilla and patrol boats without result. West of Schiermonnikoog the damaged PT boat S "31" in tow was attacked by an enemy submarine during the night of 18 Aug. No damage.

Channel/Atlantic Coast:

The 3rd Motor Minesweeper Flotilla, at advanced positions, is successfully performing sea-rescue service.

The motor minesweeper depot ship VOI DER GROEBEE was damaged by a mine north of Dunkirk. The ship was beached near Boulogne for emergency caulking; repairs will be completed in Rotterdam.

The 38th Minesweeper Flotilla continued minesweeping off Calais. Increased British air reconnaissance over the Cape Gris Nez area indicates the likelihood of imminent air attacks on the battery position and the new sites. Commanding Admiral, France still considers the anti-aircraft defense inadequate and has asked for reinforcement.

Skagerrak/Kattegat/Western Baltic:

Nothing to report.

Submarine Situation

No changes in the operational area. U "60" entered Lorient. U "65", "51", "59" en route for Lorient.

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Submarine Successes:

An unidentified Belgian steamer was sunk 300 miles west of the North Channel (U "48"?).

Merchant Shipping

France:

Post-armistice status of the French Merchant Fleet:

The French delegation with the Armistice Commission states that at the beginning of August 1940 the French Merchant Fleet consisted of 471 ships of over 1,600 G.R.T. each = 2,547,000 G.R.T.

Of these, 70% (347 ships totaling 1,797,000 G.R.T.) were in non-occupied French harbors and 11% (43 ships totaling 290,000 G.R.T.) were known or believed to be in British and Egyptian ports.

In the case of 9%, (57 ships totaling 216,000 G.R.T.), it was uncertain whether they were in British or in French west coast ports.

10% (24 ships, totaling 244,000 G.R.T.) were in neutral ports.

Belgian, Danish Dutch, Norwegian and Polish ships in non-occupied French ports

2 Belgian ships	5,280 G.R.T.
19 Danish "	51,430 G.R.T.
2 Dutch "	2,544 G.R.T.
13 Norwegian "	60,356 G.R.T.
2 Polish "	<u>2,153 G.R.T.</u>
Total:	<u>121,763 G.R.T.</u>

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War against Merchant Shipping:

In connection with the intensification of the war on merchant shipping notified to neutral countries and the total blockade of the British Isles as announced by the official "DIB" statement in the press and on the radio, shipping has been warned not to enter the following operational area:

47° 30' N 2° 40' W

45° N 5° W

45° N 20° W

58° N 20° W

62° N 3° E,

from there southwards to the Belgian coast, then along the Belgian and French coast to the starting point.

Attention of shipping is called to the fact that any passage would entail extreme risk to ships and personnel.

The necessary instructions have already been issued to our forces.

Air Situation

See Air Force Events of the Day.

Favorable weather in the late morning and the afternoon of 18 Aug. made operations by both Air Forces possible. The British Air Force ground organization was attacked by the 3rd Air Force in the Portsmouth area and by the 2nd Air Force in the London area. Good results were achieved. According to reports so far available altogether 145 enemy planes and 30 barrage balloons were shot down with the loss of about 50 of our own planes. Most of these were enemy fighters shot down in air battle. Extensive use of fighters by the British confirms the views of General Staff and underlines the necessity of engaging the enemy fighter forces and besting them in aerial combat before extending our air war. In the opinion of Air Force Operations Staff,

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yesterday's operations also showed that, when our formations appear, the British send up their entire fighter forces and go "all out". The formations report that the enemy fighters have lost their aggressiveness in combat against our fighter and heavy fighter formations, but not their tenacity against bombers and pursuit even after attack.

Air Force Operations Staff insists that operations against the enemy fighter formations be continued under all circumstances, even if the weather continues to prevent operations by large bomber formations.

Mediterranean

No special operations to report.

Light British forces, covered by the MALAYA and RAMILLIES, opened fire on the port of Bardia on 16 Aug.

The British Admiralty announces the loss of submarine OPPHEUS. (For details see Situation Mediterranean.)

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Items of Political Importance

Great Britain:

A British Army communique reports the "successful" evacuation of British Somaliland.

The Italian victory in Somaliland is of particular value as enhancing the prestige of Italian Armed Forces.

A state of emergency has been declared throughout Great Britain. District Commissioners, who are to cooperate with the local military authorities, are authorized to close streets, impose curfews for the population, order the use of waterways, etc.

Considerable discussion in the British press of the chances of British coastal defense against a German invasion, which is considered to have very poor prospects.

Regarding the declaration of total blockade of the British Isles, London radio announcements state that it is difficult to say to what extent it will alter German naval warfare. How Germany intends to effect this blockade is problematical. "The British Fleet is intact and the German air attacks on Great Britain are turning out more and more to be a failure."

U.S.A./Great Britain:

The three American officers sent to Great Britain some days ago to study the war situation are:

From the American Navy:

Rear Admiral Robert L. Ghormley,
Section Chief in the Navy Department, with staff,

from the American Army:

General Delloes C. Emmons,
Commander in Chief of the Army Air Force,

and General George V. Strong,
Chief of Operations.

General Strong's position corresponds to that of our Chief of General Staff. General Emmons (Air) is considered a

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first-class leader and organizer. The officers are alleged to have been sent to Great Britain "at the invitation of the British Government.

The Military Attache thinks that the invitation may have been extended under pressure from the American Government, which is much interested in following military developments in Great Britain and most particularly in seeing that Great Britain continues to hold out.

It is the opinion of Naval Staff that the American delegation has undoubtedly been charged with investigating the military possibilities of American armed support, in case the United States should intervene actively in the war, and with making corresponding arrangements with Great Britain.

On 18 Aug. Roosevelt and the Canadian Prime Minister, Mackenzie King, agreed upon the declaration of a joint defensive front with the United States of America. To this end a permanent joint defense committee is to be set up to make an immediate study of the possibilities for joint defense at sea, in the air and on land. The committee consists of four or five members from each country and will meet shortly. It is not unlikely that the destroyers for Great Britain will be nominally sold to Canada for reinforcement of her Fleet and that they will then reach Great Britain in this way.

The fact that Canada is entering into such close alliance with the United States undoubtedly indicates a closer approach by her to the Pan-American plans of Roosevelt.

Conference on the Situation with Chief, Naval Staff

Special Items

1. Report by Chief, Operations Branch on the orders issued to supply ship NORDMARK, provided for the cruiser SCHER (as well as operational order for auxiliary cruiser NORDMARK) and to reserve supply ship DITHMARSCHEN (or auxiliary cruiser DITHMARSCHEN). For orders see War Diary, Part C, Vol. I.

2. Operation "Seeloewe":

Discussion on the conversion of the SCHLESWIEN and SCHLESWIG HOLSTEIN: Bureau of Naval Armament, Naval Ordnance Division suggests: provision of a plain upper deck, its reinforcement by armor plating, improvement of the medium artillery. Naval Ordnance Division attaches great importance to this improvement and considers that the ships could be used to advantage on operation "Seeloewe" if their resistance against bombs is increased. Chief, Naval (Ship) Construction Division strongly advises against conversion, as it would take a very long time, would be difficult to carry out, would cause considerable delay in the submarine and other urgent building programs and would greatly aggravate the question of manpower, while the ultimate success of the conversion appears doubtful. Chief, Service Division also advises against conversion as suggested by Naval Ordnance Division. He is of the opinion that the enemy Air Force represents only a minor danger that should be disposed of or at least minimized by the time "Seeloewe" is carried out. The main threat comes from underwater hits (mine, torpedo); underwater protection and safety against sinking should therefore be increased by all available means.

Naval Staff, Operations Division maintains the views already stated on 17 Aug. and objects to the conversion, the value of which by no means offsets the resultant great disadvantages in other fields. This objection is based on the opinion that the success to be expected from the operational and tactical commitments of these ships in the waters concerned will be very limited.

Chief, Naval Staff, nevertheless, still maintains the demand that artillery protection for the landing operation must be increased by every possible means and considers that it would be wrong not to make use of the old battle-ships' efficient guns. This, however, presupposes conversion of the ships. The decision is, therefore, that possibilities and times of conversion at the Deschimag and Blohm & Voss Works be investigated and that immediate examination be made in regard to improvement of the medium artillery and searchlight installations and increase of under protection.

The plan to equip barges with 15 cm. guns has been definitely abandoned in view of a report from Naval (Ship)

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Construction Division that the available barges are entirely unfit for that purpose. Instead, it is requested that coastal motor vessels be equipped as artillery carriers with 10.5 or 15 cm. guns. The necessary arrangements will be expedited.

Situation 19 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

On 15 Aug. a British plane was informed of the presence of the auxiliary cruisers in the Iceland area. The radio message reveals that the WORCESTERSHIRE took up position NP 51, the FORFARE NP 53 and the LAURENTIC NP 54. Patrol runs were concentrated on a center point at 62° 22' N and about 18° W. Positions lie south of Iceland, exact location unknown. Courses 63° and 243° were mentioned. From these observations it appears that, as heretofore, a patrol line or an irregular patrol of auxiliary cruisers is maintained south of Iceland.

Radio intelligence detected the new command "Commodore, Western Isles" in the home area. Its functions have not yet been determined.

Central Atlantic:

Parts of Task Force "H" are in the Gibraltar area and maintain lively radio traffic with the radio station there.

The British steamer ROVALLAN CASTLE reported early on 19 Aug. from 40° N, 20° 30' W (310 miles northeast of the Azores) that she was being pursued and fired on by an auxiliary cruiser. Shortly afterwards, the British auxiliary cruiser CIRCASSIA admitted that she had opened fire on the ROVALLAN CASTLE. The incident clearly demonstrates the enemy's nervousness due to the presence of our auxiliary cruisers.

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South Atlantic:

According to radio intelligence, the Dutch cruiser SUMATRA arrived at Freetown.

North Sea:

The cruiser YORK sailed from Rosyth, northward bound.

The aircraft carrier FURIOUS and four destroyers were at sea in the Scapa area. The 15th Cruiser Squadron, at present in the same area, obviously consists of the following vessels: cruisers AJAX, NAIAD, BONNAVENTURE, FIJI.

Enemy radio traffic indicates unmistakable alarm; patrol boats, which are apparently insufficiently informed, frequently report their own ships as suspicious vessels.

Eight British submarines were detected at positions in the home area of the North Sea. The Norwegian submarine B "1" was observed in the area of the Firth of Forth.

France:

The French Armistice Commission has requested permission for steamers to go through the Straits of Gibraltar with warship escort. The request has been refused, since it is basically undesirable for French forces to become active again. Incidents due to British actions, which would force France into active fighting on the side of Germany against Great Britain, are not in Germany's interest. Therefore, only a single steamer without escort will be permitted to go through the Straits of Gibraltar in order first to establish the British reaction.

In order to maintain fishing the French have been given permission to move a number of fishing vessels and steamers from Casablanca to the Bay of Biscay and also to transfer ten loaded fishing vessels from Newfoundland to Casablanca or Bordeaux.

Neutrals:

The American transport AMERICAN LEGION was at 70° 19' N, 10° 38' E on the afternoon of 18 Aug. and will pass Cape Wrath at 1300 on 20 Aug.

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Own Situation

Foreign Waters:

Nothing special to report. Ships have been informed on the enemy situation.

Norway:

Troop transports in the northern Norway area as planned. Patrol boats, steamer BRITA and ALSTERTOR and Norwegian coastal vessels are being used for transport.

The supply ship DITHMARSCHEN, escorted by minesweepers, sailed from Trondheim, homeward bound.

North Sea:

The 1st Motor Minesweeper Flotilla observed two barrages on Route "1" and cleared 75 British mines type "Mark XIV".

Channel/West Coast:

Group West has ordered that the 1st PT Boat Flotilla, the only one at present available, carry out torpedo operations from Rotterdam against convoy traffic off and north of the Thames estuary. Until the arrival in Rotterdam of depot ship TSINGTAU, which is required for this, minelaying operations from Cherbourg or Boulogne are to be given priority. The areas off Beachy Head and the approaches to the eastern and western entrances to Southampton are to be mined.

No special incidents in the Channel on 19 Aug. The 2nd Minesweeper Flotilla put in to Cherbourg; the 3rd Motor Minesweeper Flotilla and the 38th Minesweeper Flotilla are carrying out sea-rescue service.

Effective immediately, Commanding Admiral, Naval Forces, West is charged by Group West with the following assignments:

1. Employment of the PT boat Flotillas. Detailed instructions will be given separately.
2. Employment of the forces of Commander, Minesweepers and Commander, Patrol Vessels. This includes primarily:
 - a. Minesweeping.

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- b. Movement of naval forces from the Heligoland Bight to the west area and their distribution to the ports.
- c. Movement and protection of sea-borne supply traffic of the transport area and from the Heligoland Bight or Dutch and Belgian ports into the west area.

The recall of forces from the area of Group North is the concern of Group West.

Skagerrak/Kattegat/Western Baltic:

Nothing special to report. Sea patrols, check sweeps of routes and mine situation unchanged.

Submarine Situation

In the operational area: U "A", U "30", "38", "46", "48", "28", "101", "57", "100".

On passage: U "32", "124", "56", "37".

In Lorient: U "65", "58", "99", "60".

U "100" reports strong air patrol in the operational area off the North Channel. Because of planes the submarine has been obliged to remain submerged continuously.

On the morning of 19 Aug. U "38" contacted a westbound convoy 200 miles west of the southern point of the Hebrides.

Submarine Successes:

U "A" reports the sinking of 41,000 G.R.T. U "101" sank the British steamer AMPLEFORTH (4,578 tons). This submarine, too, reports strong air patrol.

Merchant Shipping

Crews of Greek steamers in Great Britain refuse to sail in British waters.

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Air Situation

See Air Force Events of the Day.

Nuisance raids on port installations, aircraft engine plants, steel works, dockyard installations and large fuel depots were continued during the night of 18 Aug. Only isolated attacks were made on southern and central England on 19 Aug. because of bad weather.

Subordination of coastal patrol squadron:

On 18 June Group North, on its own initiative, made the 1st Coastal Patrol Squadron, 106th Group available to the 2nd Air Force for aerial mine operations. Surrender of the Squadron by subordination to the 2nd Air Force, as that unit evidently assumes, is, however, out of the question. Reconnaissance and escort assignments in the North Sea and Skagerrak make it necessary, in view of the heavy concentration of light forces also in the west, to restrict operations by planes on these tasks. The Navy must therefore insist upon retaining its right at any time to recall the 1st Coastal Patrol Squadron, 106th Group, which is particularly suited for these duties. Commander in Chief, Air Force, Operations Staff has been advised accordingly.

Mediterranean

Nothing special to report. The Italian transport vessels from Tripoli returned home according to plan, escorted by destroyers and torpedo boats.

The already reported bombardment of Bardia by British vessels caused only slight damage.

Items of Political ImportanceGermany:

The German note and declaration of blockade has strengthened the impression abroad that, whatever happens, Germany intends to carry through the fight against Great Britain relentlessly and without permitting any hindrance from neutrals. The declaration did not cause a sensation, since it is regarded as an inevitable development in the intensification of the struggle.

Great Britain:

In the House of Commons Churchill made a statement on the situation. He declared that the total blockade of Great Britain, now proclaimed by Germany, was meaningless. On the contrary, the blockade of Germany and of the countries under her control would be relentlessly continued. It would be Germany's responsibility if the occupied territories starved. The best way for these peoples to procure themselves food supplies would be by revolting against the German yoke (especially meant for the French colonies in North and West Africa). The British Army and Navy are now stronger than ever before. There is more merchant shipping than at the outbreak of war. Great Britain is prepared for a long war lasting until 1942. To the Free French under General de Gaulle Churchill promised that France would be restored in a liberated Europe. Great Britain has decided to offer naval and air bases in the Empire to the United States on a 99 years' lease. Newfoundland and the British West Indies are involved. However, there is no question of a transfer of sovereignty. The gradual "growing together" of the United States and Great Britain would ensue as a natural necessity. (For details, see speech in foreign press.)

Italy:

The Italian Government delivered a note to the Governments of neutral countries carrying on merchant shipping which, in conformity with the German note of 17 Aug., warns against passage in waters off the enemy coasts that have become permanent operational areas. (For text of the note see War Diary, Part B, Vol. V. Page 101.)

For situation in the Balkans see Political Survey No. 194.

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U.S.A.:

Roosevelt admitted that negotiations are being carried on under his personal direction with the British Empire and Canada concerning acquisition of British Colonial possessions as American bases in order to strengthen the defense of the United States and in particular of the Panama Canal.

From an agent's report it appears that U.S. naval circles are convinced that there is no longer any danger of a German invasion of Britain this year and that the war has now reached deadlock as a pure war of blockade.

The Embassy, Quito reports: The U.S. cruiser ERIE and the destroyer TATTNALL sailed from Guayaquil for the Galapagos on 16 Aug. On board were two rear admirals, one of them the naval commander of the Canal Zone. Their mission is allegedly to supplement incomplete charts; in fact, they are to investigate how the islands can best be included in the defensive system of the Panama Canal.

Conference on the Situation with Chief, Naval Staff

Special Items:

1. Report by Chief, Operations Branch on the directive of Armed Forces High Command regarding expansion of our position in Norway: The Fuehrer has ordered that the military position in Northern Norway be expanded for the safeguard of German interests. Preparations for military reinforcement in this area are to be made immediately. The Navy is charged with expanding coastal defense in Northern Norway in such a way that attack from the sea is impossible. A special headquarters is to be established by the Navy. The Air Force is to set up the necessary air base.

This directive confirms the Fuehrer's previous verbal order to Chief, Naval Staff. Preparations for expansion of the Northern Norway area are in progress. Suggestions from Commanding Admiral, Norway in regard to expansion of coastal defense are to be awaited.

2. Report by Chief, Operations Branch on the tasks

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assigned in cruiser SCHEER's operational order: Cruiser operations in Foreign waters. The main purpose of the assignment is to tie down enemy forces for the relief of the home area and to inflict damage on the enemy. The operational areas will be determined by the position of the sea routes, seasonal traffic density, defense encountered and weather. The following sea routes are mentioned in Naval Staff's directive as promising operational areas for the SCHEER:

- a. North Atlantic: Canada route between Halifax and the North Channel.

The traffic lane of the West Indies route at present running on about 20-25° W between Freetown and the North Channel.

- b. South Atlantic: Traffic routes between La Plata and Freetown or the Cape Verdes; the Cape-Freetown route.

- c. The whaling areas of the Antarctic from Dec. to Feb.

- d. The traffic lanes of the Indian Ocean, as alternative areas.

(For details see operational order in War Diary, Part C, Vol. I.)

Chief, Naval Staff agrees with the text of the operational order.

Unfortunately a report has been received from the SCHEER that the ship is temporarily out of operational readiness due to cracks in auxiliary and main engine piston rods. Further passage is impossible if serious damage to the engines is to be avoided. Operational readiness cannot be established by 10 Sept. as ordered. Further investigations are in progress.

3. Report by Operations Division, Fleet Operations Section (Great Britain) on Naval Staff's directive to Group West and subordinate Commanders and Admirals for execution of Operation "Secloewe". (For directive 1/Skl 12040/40 gkdos. dated 20 Aug. 1940 see file "Secloewe", Order No. 38 with 10 appendices). By this order Naval Staff turns over the very comprehensive data so far compiled for operation "Secloewe" to Group West and the offices responsible for

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executing the operation, and orders that further preparations be made without delay on the basis of the directives issued and with the material furnished by Naval Staff. In view of the Fuehrer's decision made in consideration of the Army General Staff's operational demands, preparations for a landing on a broad front are to be continued, though no arrangements will be made for a crossing from Cherbourg to Lyme Bay. In conformity with Naval Staff's views on the insecurity of the Le Havre - Brighton crossing route, Group West is ordered to make necessary preparations for troop transport in that area only insofar that the single crossing of a strong contingent to the Brighton area for purposes of diversion is possible. In this connection preparations are to be made to bring up reinforcements, heavy equipment and supplies to this area by land from the left wing (Eastbourne); only if the enemy situation takes a particularly favorable turn are these supplies to be brought direct by sea.

Minelaying on both sides of the Strait of Dover is to be carried out as planned, since it is in that area that the main troop and supply transport operation will take place. Preparatory mine clearance and minelaying must be sufficiently advanced by 15 Sept. to allow execution of Operation "Seelowe".

As far as execution is concerned, Naval Staff estimates that the transport units in the Boulogne-Rotterdam area can land the first two echelons of six divisions in continuous waves within six days, in the Beachy Head - Dover area (weather permitting). In regard to the additional landing in the Brighton area, Naval Staff considers that it will be possible to carry 7-8,000 assault troops without heavy weapons or heavy gear, by means of the motor boats and coastal motor vessels lying in Le Havre at the same time as the main landing in the Beachy Head - Dover area.

Besides this, Naval Staff plans to prepare the steamers at Le Havre, with the corresponding number of barges and tugs, for various operations as the situation demands. The following possibilities are seen by Naval Staff:

a. In the case of an unfavorable enemy situation, these transport units can join the main Boulogne - Beachy Head - Dungness ferry operations after sailing along the coast of the mainland to east of the Etaples - Beachy Head barrage.

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- b. They could cooperate in the transfer of assault troops by motor boats and coastal motor vessels, if, contrary to expectation, the enemy situation makes this possible.
- c. These steamers and their accompanying craft can be held in Le Havre for later use as in a. or b. according to the situation.

Situation 20 Aug.

Special Reports on the Enemy

Great Britain:

North Atlantic:

Radio intelligence identified the reference points of the present patrol line of the Northern Patrol in the area southwest of Iceland; two auxiliary cruisers are now in position.

Convoy SHX 66 sailed from Sidney (Canada) on 16/17 Aug.; it evidently consists of ships coming from the St. Lawrence River which are to form convoy HX 66. Radio intelligence observed convoy SC 1, obviously consisting of slow steamers carrying lumber and escorted by gun boat PENZANCE, in the Newfoundland area.

Central Atlantic:

The auxiliary cruisers DUNNOTTAR CASTLE, CIRCASSIA and DUNVEGAN CASTLE are west of the Iberian Peninsula. They are operating in the newly established Western Patrol. Information so far received indicates that the enemy has set up this patrol line for the purpose of protecting his north-south convoy route and of extending the possibilities of blockade in the French, Spanish and Portuguese areas.

Task Force "H", which reached the rendezvous fixed for 16 Aug. two days late (submarine U "A" sent out in vain) is expected in Gibraltar on 21 Aug. Obviously the Task Force was escorting the fifth contingent of New Zealand artillery that, according to Reuter, arrived in Great Britain on 19 Aug.

South Atlantic:

Besides the Dutch cruiser SUMATRA, the cruisers DORSETSHIRE, CORNFALL and probably also SHROPSHIRE are escorting convoys in the South Atlantic, according to observations by our radio intelligence.

North Sea:

The British Admiralty announced that losses on the aircraft carrier GLORIOUS amount to 1,204 men.

Reuter reports that the Minister for National Defense has extended the coastal defense regulations to the whole of Great Britain.

Channel:

Lively enemy air activity against the French, Belgian and Dutch coasts.

For a survey of enemy activity during the week from 11 to 18 Aug. see Radio Monitoring Report No. 33. Of particular value are the radio intelligence observations regarding the Northern and Western Patrols and convoy traffic from and to the Atlantic, which now seems to be arranged so that incoming convoys sail on approximately 58-59° N and outgoing convoys between 56-57° N. Report No. 1 of Naval Intelligence Division, Foreign Merchant Marine Branch gives a survey of the shipping routes off the west coast of England (as at mid-May).

Own SituationForeign Waters:

Nothing special to report.

The auxiliary cruisers have been informed of the enemy situation.

Cruiser SCHEER: During a conference with High Command, Navy it was stated that, according to a report from the Commander of the SCHEER, the great number of breaks and cracks in the piston rods of SCHEER's auxiliary and main engines is due to defective material, and might also be

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traced to faulty treatment during nitrication of the piston rods. Immediate replacement of all rods is necessary. Repairs will take at least 21 working days (day and night shifts). Immediate replacement of the rods has been ordered.

The delay in completion of the cruiser SCHEER is extremely serious since it again delays the cruiser's departure for Atlantic operations by 3-4 weeks. This will make it unlikely that she can be used for the planned diversionary operation in connection with "Seelowe".

Norway:

Troop transport traffic in the Northern Norway area as planned. Ship "18", which has been carrying out control of merchant shipping without result in the Petsamo area, has had to start on return passage because of boiler trouble. Ship "47" brought a Finnish steamer in to Tromsø for search.

The return convoy of supply ship DITHMARSCHEN, which was joined by the BREMSE, repaired in Stavanger, is proceeding without incident.

Commanding Admiral, Norway reports:

1. Coastal power plant in Kristiansand ready for service.

2. Following batteries ready for action:

a. Area Oslo Fjord: Batteries Raudoey, Bølaerne, Maageroey, Droebak, Oscarsborg.

b. Area of Admiral, West Norwegian Coast:

Batteries Oderoey East and West, Jul, Kvitingsoey, Vigdel, Stavanger, Kvarven 1, Kvarven 2, Hellen, Sandviken.

c. Area of Admiral, North Norwegian Coast:

Batteries Brettingnes, Hysnes, Selvenes.

North Sea:

Outward bound submarine U "124" and two minesweepers were

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reported by British air reconnaissance as a submarine with destroyers; several ineffective bombing attacks were made.

Minesweeping in the North Sea according to plan.

Channel/West Coast:

During the night of 19 Aug. the 1st PT Boat Flotilla made an unsuccessful sortie against the south coast of England.

Numerous enemy flights and bombing attacks were reported throughout northern and western France and from the Channel coast and Holland. The Ambcs fuel depot near Bordeaux was hit by a bomb; 7 tanks were set on fire and others damaged. The refinery plant in Blaye was partly destroyed.

In view of the increase in British reconnaissance activity over the Blanc Nez/Gris Nez area, Group West expects that the enemy will soon attack the Channel coast battery positions and, as several requests to the 2nd Air Force for the necessary strengthening of anti-aircraft defenses have produced no result due to lack of forces, asks for the speedy reinforcement of anti-aircraft guns. The request has been passed to Commander in Chief, Air Force.

Minesweeping off Calais and Dunkirk was partly hindered by the weather. Several ground mines were cleared. Some sections were reported free of mines.

Skagerrak/Kattegat/Western Baltic:

Transport traffic as planned. A summary of troop transport operations during the past 3 - 4 weeks shows that 16,121 men have been carried.

Enemy flights over Jutland and Schleswig-Holstein into the western part of the Baltic Sea and the Kattegat during the night of 19 Aug. Mines are suspected to have been dropped. Bombing, especially at Kiel, caused little damage.

Submarine Situation

Disposition of submarines off the North Channel has been changed (see order of Commanding Admiral, Submarines, radiogram 1352). All submarines have been instructed to reduce their radio traffic.

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U "A" has been ordered to attack the British auxiliary cruisers in the Northern Patrol.

U "51" has not arrived in Lorient as planned. The fact that the submarine does not report on call arouses some apprehension. Air reconnaissance has been sent out.

Italian submarine operations in the Atlantic:

The Liaison Staff, Rome has submitted a draft of the agreement between the German and Italian Navies concerning the establishment of an Italian submarine base at Bordeaux (see War Diary, file "Italian Warfare"). Under the agreement, the German Navy will assume responsibility for protection of the harbor area beyond the territory assigned to the Italians, as well as protection of the harbor area and outward routes up to deep water against attacks from the sea and air. The Italian Navy will take over harbor basin 1 with the existing berths, docks, magazines, etc. Food supplies for period in port and fuel supply for approximately the first two months will be undertaken by the German Navy. Wire communications remain in the hands of the German Navy.

An exchange of liaison officers between Commanding Admiral, Submarines and the Italian Submarine Group Commander will be made in order to arrange tactical and operational questions. (For details, see the agreement.) Naval Staff concurs in the various points of the agreement.

Merchant Shipping

The Japanese will abstain from any further passage to England in view of the operational area around Great Britain. It has been observed that isolated Swedish steamers still attempt to break through the Skagerrak patrol and sometimes succeed in getting through to England unobserved.

Air Situation

See Air Force Events of the Day.

Nuisance raids on British industrial plants and airfields

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were continued during the night of 19 Aug. During the day only isolated attacks were made on airfields and armament plants on account of bad weather.

Mediterranean

Italian activity was confined to transport traffic from and to Tripoli.

Colonial War

Berbera, in British Somaliland, was occupied by the Italians.

Somaliland has thus fallen into the hands of the Italians who, by this successful operation, have achieved a very good military success and have gained considerable prestige.

As later reported by radio intelligence, the evacuation of Berbera was covered by the ROYAL SOVEREIGN and the cruisers LEANDER, CARLISLE and CALEDON.

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Items of Political Importance

U.S.A.:

There is anxiety in the United States that Germany may gain possession of bases on the West African coast, in order to set up an airline from there to South America. The establishment of new American consulates in Horta (Azores) and Cayenne (French Guiana) is believed to be connected with protection against such German efforts. The military news service is distributing propaganda reports alleging that Germany plans to call on the natives of the French colonies as well as Germans in Southwest Africa for the domination of South America. This is why the United States is obliged to take the necessary military measures to defend the western hemisphere.

Conference on the Situation with Chief, Naval Staff

Special Items

Operation "Seelowe":

1. Armed Forces High Command concurred with Naval Staff's views on the crossing from Le Havre as now planned.
2. Chief, Naval Ordnance Division reported on the enemy's possibilities of rendering the landing more difficult or preventing it by large oil fires along the coast.

The Chemical and Physical Experimental Station of the Navy has made thorough trials of the ignition capacity and inflammability of crude oil on the surface of the water. These experiments have shown that an oil layer 4 mm. thick floating on the surface of the water will produce, after ignition, an area of fire that is almost impossible to extinguish even by the most effective means. The crude oil could be ignited on the water only by simultaneous use of gasoline. A very large quantity of oil would be necessary to create an adequate oil layer (400-600 tons per square kilometer). However, it would be impossible to break through such a wall of fire (flames 15 - 20 m. high, thick wall of smoke).

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Naval Staff does not think that the enemy would be able to produce and maintain over a wide coastal area oil fires so strong and extensive as to seriously endanger a landing. Local difficulties from such defensive means must, however, be reckoned with. This makes it necessary to fit the transport craft with oil fire-fighting equipment.

Naval Staff, however, is of the opinion that it is most important to produce extensive oil fires in British ports, either by destroying fixed tank installations or by attacks on tankers. It is believed that, by the simultaneous use of high-explosive and incendiary bombs, the oil running out and spreading on the surface of the water could be ignited. If we could succeed in making such an effective attack shortly before the rise of the tide, the burning oil driven into the port by the tide would have disastrous effects.

Chief, Naval Staff ordered that the Air Force Operations Staff be advised of the results of the experiments made and the conclusions drawn from them, with a view to possible exploitation in Air Force operations against Great Britain.

3. Report by Operations Division, Mine Warfare Section on the mine situation on the route to the Channel and in the Channel itself, and on the plans of Commander, Minesweepers, West. (See file "Seeloewe", Order No. 39.)

The tasks falling to Commander, Minesweepers, West in connection with arrangements for Operation "Seeloewe" are:

1. Establishment and maintenance of mine-free channels along the Dutch, Belgian and French coasts for the movement of transports to the ports of embarkation.
2. Clearance and maintenance of inland waterways from the Maas to Rotterdam and the Scheldt to Antwerp (Other inland waterways and connecting channels and canals are the responsibility of Admiral, Netherlands.)
3. Clearance of entrances to ports of embarkation.
4. Mine patrol in the Channel and minesweeping of the transport routes in the area of Operation "Seeloewe".

At the disposal of Commander, Minesweepers in the Channel:

3rd Motor Minesweeper Flotilla)
4th " " " ") (modern motor minesweepers)

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2nd Minesweeper Flotilla	(modern minesweepers)
4th " "	(old minesweepers)
38th " "	(drifters)

Execution of the planned patrol and minesweeping, which has been temporarily hindered by bad weather, depends to a great extent on the effect of the intensified air war and on elimination of the enemy Air Force. Minesweeping and clearance work is, moreover, not only greatly impeded by enemy reconnaissance and attack, but also decisively influenced by enemy aerial mines laid off the ports and on the swept routes.

Situation 21 Aug.

Special Reports on the Enemy

On 20 Aug. all British naval communications codes were changed simultaneously. Deciphering cannot therefore be counted on for the time being.

This is the most serious blow to our radio intelligence since the outbreak of war. The enemy had so far adhered to his pre-war codes and had only changed the keys periodically, causing some temporary difficulty for the deciphering service. Radio monitoring and deciphering activities had been greatly facilitated by the capture of numerous enemy documents, which afforded at times an almost complete insight into the enemy's radio service. It was a foregone conclusion that the enemy would sooner or later make a fundamental change in his radio procedure in order to restore code security. It is remarkable that it had not been done before now - after almost a year of war.

It is expected that in about six weeks' time the Radio Monitoring Service will again be able to make limited evaluation after the first insight has been gained into the enemy's new radio data.

Central Atlantic:

An agent reports that the PEGASUS put in to Halifax on 1 Aug. and took on aluminum there from the United States (about 2,000 tons).

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According to an Italian report, the cruiser ENTERPRISE did not return to Gibraltar with Task Force "H". The ship is said to have been equipped recently with supplies for an assignment of over two months' duration. It remains to be seen where the ship re-appears.

South Atlantic/Indian Ocean:

There are no reports.

East Asia:

On 21 Aug. final evacuation of Shanghai by the British.

North Sea:

Enemy submarines west of Terschelling and west of the northwest corner of the declared area; three submarines off the east coast of England.

Channel:

Two enemy submarines were sighted in the morning near Fecamp on westerly course.

France:

The French steamer CUBA is taking 1,000 demobilized reservists from Martinique to Casablanca. Our forces in the Atlantic have been instructed not to stop the steamer.

Neutrals:

According to Reuter the overhaul of the 50 destroyers that may be transferred to Great Britain has progressed so far as to permit their departure within a week.

Own Situation

Foreign Waters:

Nothing to report. Our auxiliary cruisers have been informed of the enemy situation by radiogram 1648.



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