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FUEHRER

CONFERENCES

ON MATTERS

DEALING WITH

THE

GERMAN NAVY

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VOL. II

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May 1983

OFFICE OF NAVAL INTELLIGENCE

NAVY DEPARTMENT

Foreword

This is Volume II of the Fuehrer Conferences on Matters Dealing with the German Navy, 1941, which is appearing in two volumes. Volume I contains the Fuehrer conferences from January through 6 June 1941. Volume II contains the Fuehrer conferences for the remainder of the year as well as the glossary for both volumes.

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Berlin 24 June 1941

Naval Staff

Conference of the Commander in Chief, Navy with the Fuehrer in the afternoon of 21 June 1941.

Present: Chief of Staff, Armed Forces High Command
General Jodl
Captain von Puttkamer
also Professor Speer during discussion of point 1.

1. The Commander in Chief, Navy reports on a plan for a large shipyard at Trondheim on the Gulosen Fjord.

The Fuehrer agrees and instructs Professor Speer to investigate the surrounding country with a view to building a German city.

2. The Commander in Chief, Navy, using a map, shows the encounter of U "203" with the U.S. battleship TEXAS and a U.S. destroyer in the closed area: The ships were sighted about ten miles inside the boundary of the closed area; U "203" chased and attempted to attack them as far as about 140 miles to the northeast and back within the closed area; then the ships left the area on a southwest course. No opportunity to attack occurred on account of zig-zag courses and unfavorable weather. The Commander in Chief, Navy is of the opinion that this incident as well as that of the ROBIN MOOR is welcome, because the character of the proceedings make it quite clear to the U.S.A. that the warning was meant in earnest. He states that where the U.S.A. is concerned firm measures are always more effective than apparent yielding. In the case of the ROBIN MOOR, the Commander in Chief, Navy had already given instructions that, for the present, the Fuehrer wishes to avoid incidents with U.S. warships and merchant ships outside the closed area under all circumstances. For the closed area, clearly defined orders will be necessary which will not involve submarines in confused and dangerous situations, and which can be carried out. By day under normal conditions a submarine can recognize U.S. battleships and cruisers and avoid attack. By night, on the other hand, no such guarantee can be given. An appropriate order is therefore not possible. The Commander in Chief, Navy proposes a 50 or 100 mile strip inside the boundary of the closed area, inside which attacks on U.S. warships should be avoided.

The Fuehrer declares in detail that until operation "Barbarossa" is well under way he wishes to avoid any incident with the U.S.A. After a few weeks the situation will become clearer, and can be expected to have a favorable effect on the U.S.A. and Japan; America will have less inclination to enter the war, due to the threat from Japan which will then increase. If possible, therefore, in the next weeks all attacks on naval vessels in the closed area should cease, especially since in the past few months such attacks have been exceptions in any case.

The Commander in Chief, Navy agrees that such an order could be given; all the same, at night naval vessels, e.g., those escorting a convoy, might be hit unintentionally, like in the MALAYA case. Such a ruling would therefore provide no guarantee either.

The Fuehrer decides that this order must be issued nevertheless, so that incidents are eliminated as far as possible.

The Commander in Chief, Navy issues the following order to the Commanding Admiral, Submarines with instructions to inform the submarines of the reason for this order:

"Berlin 21 June 1941

To: 1. Submarine Division of the Naval Staff
2. Armed Forces High Command, Operations Staff, National Defense

Subject: Offensive operations against naval vessels.

I. Today the Commander in Chief, Navy conferred with the Fuehrer on this subject.

II. Result: The Fuehrer desires absolutely to avoid any possibility of incidents with the U.S.A. until the development of operation "Barbarossa" becomes clearer, i.e., for a few weeks.

III. The following is therefore ordered:

1. For the time being no attacks on naval vessels are to take place either inside or outside the closed area.
2. The only exceptions to this are ships definitely recognized as enemy ones, from cruisers upwards (cruisers, battleships, and aircraft carriers).

IV. (Addition for the Commanding Admiral, Submarines only:)

The Commander in Chief, Navy desires that the explanation of these orders as under Paragraph II be included when the order is transmitted to the submarines, in order to acquaint the commanders with the reason for these restrictive orders.

(Addition for the Armed Forces High Command only, omitting Paragraph IV:)

Attention is drawn to the necessity for similar orders to the Air Force also."

It seemed expedient to add a paragraph concerning permission to attack any ships definitely recognized as British (battleships, aircraft carriers, and cruisers), a measure likewise endorsed by General Jodl. Also necessary were the instructions concerning the Air Force, as it might find itself in even more difficult situations than the Navy.

signed: Raeder

Berlin 10 July 1941

Commander in Chief of the Navy

Conference of the Commander in Chief, Navy with the Fuehrer
at Headquarters Wolfsschanze in the afternoon of 9 July
1941.

Present: Chief of Staff, Armed Forces High Command
Commander in Chief, Air
Minister of Foreign Affairs
General Jodl
Chief of the Air Force General Staff
Captain von Puttkamer

1. The Occupation of Iceland by the U.S.A.

The Commander in Chief, Navy reports on the situation (see Annex 1 and Appendices). He requests a decision on the question of whether from the political viewpoint the occupation of Iceland by the U.S.A. is to be considered as an entry into the war, or as an act of provocation which should be ignored.

The Fuehrer explains in detail that he is most anxious to postpone the United States' entry into the war for another one or two months. On the one hand the Eastern Campaign must be carried on with the entire Air Force, which is ready for this task and which he does not wish to divert even in part; on the other hand, a victorious campaign on the Eastern Front will have a tremendous effect on the whole situation and probably also on the attitude of the U.S.A. Therefore for the time being he does not wish the existing instructions changed, but rather wants to be sure that incidents will be avoided.

It is thus permissible to attack merchant ships in the closed area without warning; American merchant ships, however, are to be spared as far as possible, when they are definitely recognized as such.

The Commander in Chief, Navy states in this connection that no guarantee can be given, and that a commander cannot be held responsible for a mistake.

The Fuehrer agrees.

Warships are, as before, not to be attacked in the closed area, unless they are definitely established as enemy ships from cruisers on up, or it is unmistakable that they are attacking.

2. Northwest Africa. (See Annex 2.)

In connection with Paragraph 5 of Annex 1, the Commander in Chief, Navy points out emphatically how important it is for the outcome of the war that France keep a firm hold on Northwest Africa. If the U.S.A. or Britain were to gain possession of Dakar and the rest of the coast, it would be a severe threat to our ability to carry on the war in the Atlantic; the position of the Axis forces in North Africa would also be severely menaced. Therefore France must receive all the help necessary to hold Northwest Africa.

The Chief of Staff, Armed Forces High Command states that all the military requirements of France in connection with Dakar will be met.

The Fuehrer is very distrustful of France and considers her counterdemands excessive.

The Commander in Chief, Navy once again emphasizes the decisive strategic significance of keeping a firm hold on Northwest Africa in view of probable plans of the U.S.A. and Britain to drive the French out of that area.

3. The Internment of Russian Warships in Sweden.

The Commander in Chief, Navy refers to the possibility that Russian ships may be interned in Sweden. The Naval Staff will try by every possible means to prevent Russian naval forces from breaking out of the Gulf of Finland. If single vessels should be interned in Sweden, pressure must be brought to bear at once on that country to hand over the ships to Germany until Russia has been defeated.

The Fuehrer instructs the Minister of Foreign Affairs to consider what steps to take.

signed: Raeder

The Occupation of Iceland by the U.S.A.

1. The occupation of Iceland by the U.S.A. will have a very detrimental effect on German warfare in the Atlantic, both as regards submarines and surface ships.

2. In detail:

a. American air reconnaissance operating from Greenland and Iceland, together with British reconnaissance from Canada, Newfoundland, and northern Scotland, will result in complete coverage of the whole Canada-Iceland-Scotland sea route.

b. The order to the American Fleet to protect the sea route to Iceland means that American war vessels will enter the German blockade area, and will make it possible for an Anglo-American coalition to divide the North Atlantic route into an American half and a British half, thus multiplying escort facilities.

It will be possible henceforth for convoys to be escorted by aircraft carriers along the whole route (see map).

c. The arrival of American air and sea forces in the Iceland area will result automatically in reconnaissance support for Britain, thereby increasing the difficulty of passing through the straits on either side of Iceland.

3. With the appearance of American merchant ships escorted by warships there is an increased possibility of incidents; it is suspected that the measures taken by the U.S.A. are deliberately provocative.

Up to now we have not had to reckon with the appearance of American merchant ships in the blockade area, and action against American warships was ruled out on account of operation "Barbarossa" by the restrictive order of 21 June (Sk1 Ia 001174/41 Chfs.).

4. If the measures taken by the U.S.A. are to be considered merely as a provocation which should be ignored, in spite of the above-mentioned severe effect on our war activities, amplification of our orders is nevertheless proposed as follows:

a. Permission to make attacks without warning on American merchant ships, alone or in convoy, in the blockade area should be confirmed.

b. Attacks without warning against U.S. naval forces, such as aircraft carriers acting as escorts, in the blockade area should be permitted if this is necessary in order to provide an opportunity to attack ships in convoy.

c. Attacks on U.S. warships in the blockade area should be permitted if these ships commit or start to commit hostile acts. Attempts at maintaining contact, radar and hydrophone hunt, and reporting the presence of our ships will be considered as such.

5. The Naval Staff ascribes particular importance to measures which would tend to rule out further similar steps by the U.S.A.; our own

immediate interests would have to be set aside for the time being.

In this connection it is a primary requirement to make concessions to France in order to increase the defensive strength of Dakar and Casablanca, so that an American or British surprise attack would be out of the question. The endeavor to exploit these bases for ourselves must take a secondary place for the time being. The presence of U.S. or British forces in Dakar or Casablanca, especially naval surface forces, would almost suspend warfare in the North Atlantic, and would render operation "Felix" largely ineffectual. (See Annex 2.)

In the case of Spain and Portugal, military and political steps must be taken for the speediest possible reinforcement of the Atlantic island groups.

6. If the measures by the U.S.A. against Iceland are to be interpreted as constituting entry into the war, the following steps should be taken:

a. The blockade area should be extended to include the whole of the North Atlantic.

b. The Pan-American Safety Zone, hitherto respected, should be decreased to a strip twenty miles wide off the neutral coasts of America.

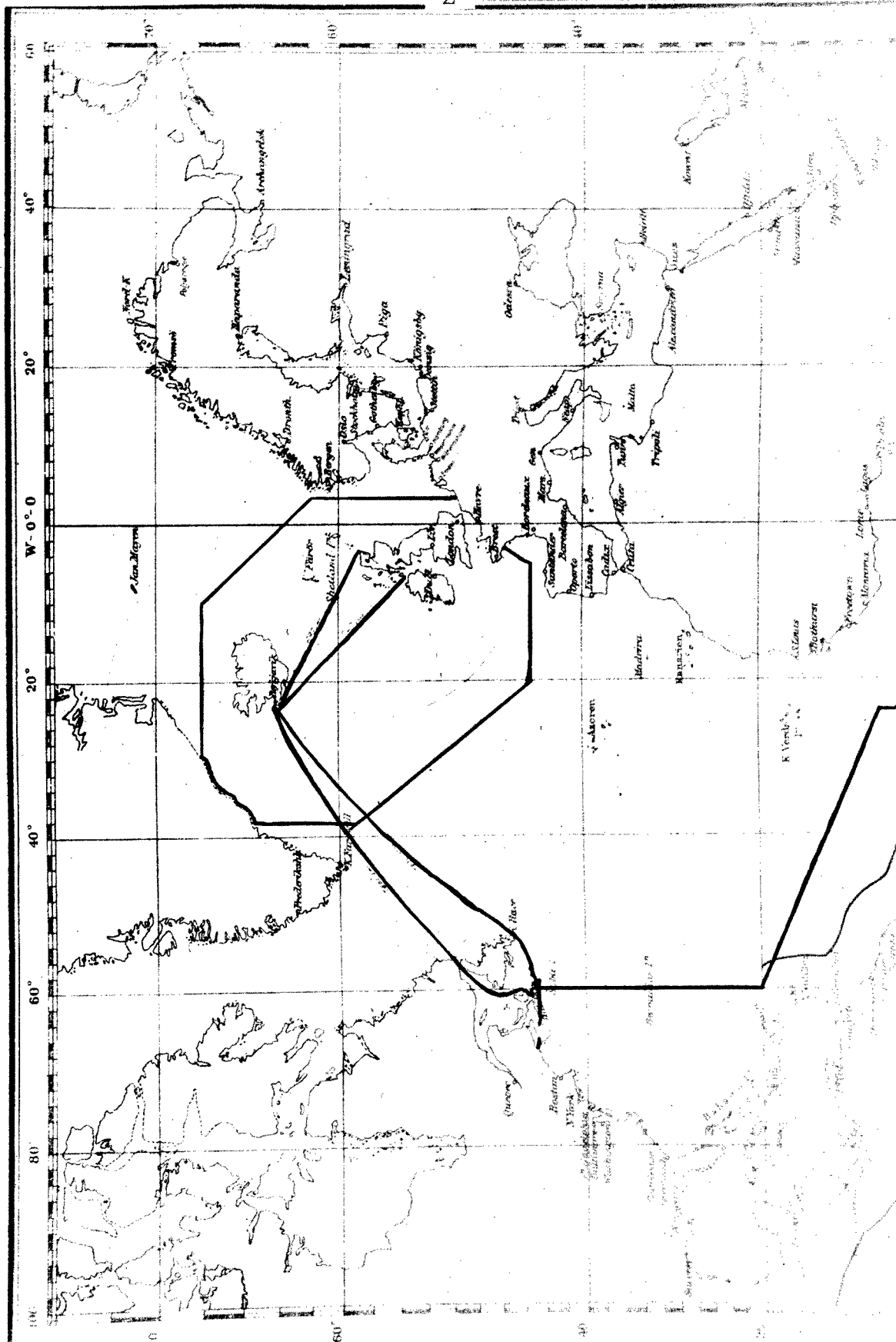
c. Action according to prize regulations against American merchant ships outside the operational area should be permitted.

American naval vessels should be treated as enemy ships.

d. Pressure should be brought to bear on Japan to fulfill her obligations under the Tripartite Pact by taking action in the Pacific or the South China Sea and the Indian Ocean.

7. Whichever way this act is interpreted, it is desired that we plainly demonstrate our objections by issuing the proposed orders, so that the warmongering of the President of the U.S. might be exposed through the ensuing losses, and his political opponents strengthened.

The longer our countermeasures are delayed, the greater the likelihood that these measures will be taken as independent acts, thus losing their relation to this provocation by the U.S.A.



Notes.

Since the beginning of the war, the U.S.A. has violated its obligations as a neutral state to a constantly increasing degree, and has gradually come to the stage of open support of the enemy and provocation of Germany. Germany for her part has done everything possible not to give the United States any excuse for such actions. We have deliberately put up with American violations of neutrality and acts of provocation. The relations between the U.S.A. and Germany during the war can be marked off into two main phases: The first period was characterized by the fact that the U.S.A. kept up an outward show of neutrality and followed a policy of annoying Germany in small ways. The second phase started with the cession of fifty destroyers to Great Britain, and is characterized by the fact that the U.S.A. clearly abandoned neutrality in favor of Great Britain. From this time (September 1940) on, the U.S.A. began to disclose openly its imperialistic policy, under pretence of defending the Western Hemisphere. It is of interest to recall in detail the following steps taken by the United States:

First period:

4 September 1939 - The American Neutrality Law came into force, putting a full embargo on war materials. At the same time, however, Roosevelt began his propaganda to the effect that the Neutrality Law must be changed and that the embargo on weapons should be lifted.

3 October 1939 - The introduction of a Pan-American Safety Zone was calculated to give a one-sided advantage to the Allies, under the cloak of Pan-American security.

4 November 1939 - The Neutrality Law was altered at the instigation of Roosevelt, and the prohibition on export of arms was lifted. The Cash and Carry Clause was introduced instead. Shortly after, efforts were commenced to do away with the Cash and Carry Clause.

20 October 1939 - American harbors were closed to submarines by virtue of the Neutrality Law. An exception was made in the case of armed merchant ships, which was a favor to none but Great Britain.

7 November 1939 - The United States Lines were authorized to sail under the Panama flag, in order to get around the Neutrality Law.

January 1940 - Cruiser TUSCALOOSA brought about the sinking of the German merchant ship COLUMBUS. As opposed to this unfriendly attitude on the part of the U.S.A., Germany twice issued restrictive regulations with respect to the treatment of American ships, and on 5 March 1940 entirely forbade action against them.

8 June 1940 - Roosevelt declared that it was permissible to return munitions and materiel to factories for delivery to Britain.

27 June 1940 - A proclamation was made limiting the freedom of movement of merchant ships in American ports and the Canal Zone. In practice, measures are enforced only against German ships.

Second period:

The first gross breach of neutrality on the part of the U.S.A. was committed at the beginning of September 1940 with the exchange of destroyers for British naval and air bases. From this time on they gave up even an outward show of neutrality. The imperialistic tendency of United States policy was demonstrated by the sending of consuls to Greenland, Iceland, Dakar, and Horta.

21 November 1940 - Through measures which were later extended into the patrol system, the German steamers RHEIN and IDARWALD, which had just set out from Mexico, were made to fall into the hands of the British.

30 November 1940 - The President held out prospect of the sale of American ships, release of volunteers for British units, and continued observation of German merchant raiders.

6 February 1941 - It became known that negotiations concerning combined economic warfare against Germany were in progress.

13 March 1941 - The Lend-Lease Law went into effect, whereby the Cash and Carry Clause was abolished and the delivery of arms was carried out through the U.S. Government.

18 March 1941 - Plans were made for an air base in Greenland.

13 April 1941 - Restrictions in the Red Sea combat area were lifted for the purpose of supplying British forces.

15 April 1941 - Greenland was included in the U.S. defensive system of the Western Hemisphere. It became known on 4 June 1941 that troops had been landed.

18 April 1941 - The patrol system was introduced, and reconnaissance reports were transmitted to the British Admiralty.

Likewise on 18 April it became known that British ships were to be overhauled and repaired in U.S. shipyards as a result of the Lend-Lease Law.

11 June 1941 - A law was passed concerning seizure of ships laid up in U.S. harbors. The law is directed exclusively against German, Italian, and Danish merchant ships.

7 July 1941 - Occupation of Iceland.

Annex 2

The Question of the Exploitation of Dakar for German Warfare.1. Developments up to the present time.

Since the summer of 1940 the Naval Staff has pointed out at every opportunity the decisive significance of Dakar and French West Africa for our own war strategy and also for that of the enemy. By the beginning of September 1940 the Naval Staff had already examined in detail and reported on the possibilities for offensive action which are afforded the Americans in the eastern Atlantic by occupying Spanish and Portuguese islands, by establishing themselves in British possessions, and by taking possession of French colonies in West Africa. The preliminary U.S. propaganda was already accusing Germany at that time of taking steps against the French colonies in West Africa and pointing out the possibility that the German Air Force would use West Africa as a base for attacking America across the South Atlantic. Since that time Britain and the U.S. both have been following developments in Dakar with the greatest suspicion, and by their directions to their agents and representatives they have shown what a great interest they take in being forewarned of military measures taken by Germany for utilizing Dakar. On the other hand, the defenses of Dakar and French West Africa have not been substantially increased, particularly since Germany has met the wishes and requests of the French only to a small extent.

2. The significance of Dakar.a. For German warfare:

(1) Dakar can be utilized as a submarine supply base. This is of the greatest importance, as it is no longer possible to supply boats at sea from tankers because of Anglo-American countermeasures. If Dakar is not used, it will be impossible for German submarines to operate effectively in the very lucrative and important area off Free-town.

(2) Dakar could be used later as a base for supply ships used in warfare in the Atlantic as well as an alternate port for auxiliary cruisers.

(3) Later it could be used as a base for the operations of German naval forces in the Atlantic.

(4) Anglo-American forces would be prevented from getting a foothold there.

b. For enemy warfare:

(1) The strategically important harbors in French West Africa could be utilized for British convoy activity.

(2) German forces would be prevented from establishing themselves there; thus West Africa, Europe's most valuable supply base, would be lost.

(3) Dakar would serve as a base for attacks against the other French colonies, especially Morocco. This would very seriously endanger the German position in all of North Africa.

(4) Therefore the Naval Staff requests that the defenses of Dakar and French West Africa should be increased as soon as possible to an extent that will eliminate the possibility of seizure by Anglo-American forces. The Naval Staff requests, moreover, that Dakar be used for the present as a camouflaged submarine supply station, and later as a submarine base and supply station for auxiliary cruisers and surface units.

3. Essential conditions for the exploitation of Dakar.

- a. The French must be in agreement.
- b. The coastal defenses of Dakar, which are inadequate at present, must be increased.
- c. Effective coastal and frontier patrol must be organized at all places where there might be a landing.
- d. Defense troops and air forces which are sufficiently strong and sufficiently well equipped to ward off an Anglo-American attack must be sent to French West Africa; this means that sufficient reserves in men, materiel, and food must be built up in preparation of a long blockade.

The Naval Staff does not know what the reasons are which have hitherto stood in the way of strengthening the defenses in West Africa, or why the general principles proposed by the Naval Staff as early as autumn 1940 were not carried out. The Naval Staff is also not closely familiar with the real reasons which have caused the German political leaders to refuse the French requests on important points, or to delay in complying with them. They deeply regret, however, that the political points of view have been preventing the fulfillment of important German military demands up to now. Whatever the German political attitude towards France is to be in the future, the Naval Staff believes that the necessity to assure the defense of French West Africa is so urgent and the advantages derivable from cooperation with France (which would mean that we can use Dakar) are so great, that considerable political concessions to France will have to be made if necessary and political disadvantages of a temporary nature will have to be borne. The most important task at the present, time, is to paralyze the British war effort as soon as possible.

The Naval Staff is convinced that, judging from the present great activity of the enemy in the Battle of the Atlantic, and considering the great significance of Dakar for German warfare, Britain and America will not permit Germany to use the bases in French West Africa for her own purposes without strong opposition. The Anglo-American war leaders will not hesitate to attack French West Africa; this time, however, they will make different preparations and use different means than in the last unsuccessful attempt to occupy Dakar.

The Naval Staff therefore feels obliged to recognize as justified French requests for release of the materials and facilities necessary to strengthen the defenses of French colonies in North and West Africa.

The occupation of Iceland by the U.S. shows the trend which Anglo-American war strategy is taking with regard to the Battle of the Atlantic. Iceland is the first step; this will be followed by Anglo-American occupation of the Azores, the Cape Verde Islands, and Dakar and other parts of French West Africa.

The present situation in the Battle of the Atlantic is unsatisfactory. The prospects for future operations are not very favorable. They are marked by the following facts:

(1) Submarine warfare will become more difficult because of the increasingly strong enemy defenses as a result of concentration of enemy naval forces along the supply routes in the North Atlantic, and as a result of extensive U.S. support.

(2) Air attacks against merchant ships will become more difficult owing to the strong anti-air defense of the convoys. Within a short time, with American support, aircraft carriers and auxiliary aircraft carriers with strong fighter defense will accompany the convoys, and it will be more difficult for our bombers to approach.

(3) The German floating supply bases in the Atlantic will be liquidated; submarine warfare and warfare against merchant shipping by surface forces will be made more difficult; operations of German surface forces in the Atlantic will be made impossible during the summer months by large-scale enemy patrol activity in conjunction with a very efficient enemy intelligence and agent service. The operation of surface forces will also be handicapped by the systematic and successful attacks made by the British Air Force against German surface forces in Brest.

(4) The U.S.A. is giving more and more assistance in the matter of supplies for Great Britain; besides the actual delivery of war materiel, the occupation of Iceland, and American escort service for British convoys attest to this fact.

If submarine operations in the Middle Atlantic should have to be suspended because we are unable to use Dakar as an operational base, and Anglo-American forces occupy the Azores and Dakar, our chances of winning the Battle of the Atlantic would suffer a further decisive setback. The Naval Staff is convinced that an Anglo-American occupation of West Africa would mean at the same time a severe threat to French Morocco and North Africa; such an occupation might possibly void the advantages Germany could hope to gain from an occupation of Gibraltar.

The Naval Staff therefore draws attention again to the great significance of Dakar for our own and for enemy warfare, and repeats the demand for political action which would remove all obstacles in the way of strengthening the defenses of French West Africa as quickly as possible, and assure us the use of Dakar for operational purposes.

Commander in Chief of the Navy

Conference of the Commander in Chief, Navy with the Fuehrer
in Wolfsschanze in the afternoon of 25 July 1941.

(The Chief of Staff, Armed Forces High Command was not present.) A verbal report on the conference was subsequently made to General Jodl.

1. A report is made on the general situation in naval warfare against Britain.

a. In general the report follows the annexes, including a detailed discussion of the situation in the Battle of the Atlantic (see Annexes 1 to 3).

The Fuehrer declares that there is absolutely no reason for the concern of the Commander in Chief, Navy that he has changed his view as to the great importance of the blockade against Britain by submarines and the Air Force. His original view has undergone no changes whatsoever. He would however like to avoid having the U.S.A. declare war while the Eastern Campaign is still in progress, also out of consideration to the Army which is involved in heavy combat. But he will never call a submarine commander to account if he torpedoes an American ship by mistake. After the Eastern Campaign he reserves the right to take severe action against the U.S.A. as well.

With regard to our attitude towards France, the Fuehrer declares that France's attitude toward us has changed since the withdrawal of our Panzer divisions. France's political demands have been increasing since that time. He will therefore probably move the two Panzer divisions, which have just recently been formed in Germany, to the west in the near future. Then France will become more amenable. He can under no circumstances prejudice our relations with Italy by making concessions to France. He cannot allow our relations with Italy to deteriorate.

As soon as the U.S.A. occupies Portuguese or Spanish islands, he will march into Spain; he will send Panzer and infantry divisions to North Africa from there, in order to defend North Africa.

b. Surface ships: Their effectiveness is limited by their small numbers and by the lack of a naval air arm. In spite of that, they are carrying out decisive offensive warfare against merchant ships, which is the only way to conquer Britain. The growing superiority of the British naturally increases the risk involved. (The incorrect use of the Air Force is now having its effect. In spite of constant requests by the Naval Staff, the Air Force did not attack aircraft carriers and battleships under construction, or the forces lying in Scapa Flow. This would have improved the situation at sea a great deal) It is possible that the surface forces will gradually be destroyed. This possibility, however, must not be allowed to keep surface ships from continuing to operate in the war against merchant ships. The fact that they are operating, or even just the possibility that they will appear in the Atlantic, supports submarine warfare to a great degree. The British are obliged to protect their convoys with strong forces. If these forces were free, they could operate with a very disturbing ef-

fect at other places, for instance, in the Mediterranean and in the Far East, i.e., Singapore. Moreover, the British would be able to strengthen their anti-submarine defenses at the expense of the escort forces, as in the World War, when our fleet ceased offensive operations and the British fleet became inactive accordingly. For these reasons it is urgently necessary to maintain and operate the small German surface fleet. Naturally, favorable circumstances should be fully exploited; bases in Spain, as at Ferrol and places farther south, are most useful.

The fact that the British are making great sacrifices in order to keep the battleships from leaving port shows how much they fear the appearance of battleships on the ocean. (In the attack on the SCHARNHORST in La Pallice on 24 July 1941, twelve four-engined bombers out of fifteen were shot down.)

The Fuehrer agrees with this view.

c. The Commander in Chief, Navy points out that the Air Force considers reconnaissance an inferior task, since it does not show immediate results.

The Fuehrer states that he will see to it that decorations are given to reconnaissance fliers.

d. The Commander in Chief, Navy brought up the question of the use of smoke screens in Brest.

The Fuehrer will settle the question according to the wishes of the Navy, since the Navy is entirely right.

2. Naval situation in the Eastern Campaign.

(See Annex 4.)

3. Situation in the Mediterranean.

Transport of supplies is the main problem. The Commander in Chief, Navy, in a letter to Admiral Riccardi, strongly urged active warfare and increased protection for transports. Preparations are being made to transfer a PT boat and motor mine sweeper flotilla at the end of the Eastern Campaign.

In answer to a question by the Fuehrer, the Commander in Chief, Navy replies that it is not possible to send submarines into the Mediterranean, as this would handicap operations in the Atlantic. Moreover, British submarines and aircraft are the forces used in the Mediterranean to attack transports, and these cannot be combatted with submarines. Italian anti-submarine defense must be properly organized for this purpose.

4. The Commander in Chief, Navy reports on the necessity of speeding up the construction of submarines as much as possible. He defines the nature of the submarine program, and points out above all the destruction and loss of material suffered by the Navy while escorting merchant ships. This task is being performed daily, under heavy losses, for the sake of the war economy and to maintain the flow of supplies. Showing graphs, he explains how necessary it is that the monthly output of submarines not be allowed to fall below twenty five: If we have 300 operational submarines - a figure which, however, will not be

reached until 1 July 1943 at a monthly rate of increase of only twenty one boats and 5 per cent losses - fifteen boats would be lost a month on the basis of 5 per cent losses. The gain would thus be only six submarines. If there were 10 per cent losses per month, thirty boats would be lost, and there would be a deficit of nine boats. Our losses of forty two boats at present amount to about 6 per cent on an average. From the end of 1941 on, however, the monthly output of submarines will amount to only about fourteen. The need for workers for the submarine program is therefore still very great; there is a shortage at present of about 25,000 men. It is impossible to make up for lost time now. The Commander in Chief, Navy therefore requests that Dr. Todt be instructed that after the Eastern Campaign is over, the Navy should also receive the necessary number of workers.

The Fuehrer promises this and demands moreover, in reply to an inquiry by the Commander in Chief, Navy, that construction of the SEYDLITZ and the GRAF ZEPPELIN is to be continued after the end of the Eastern Campaign.

The Commander in Chief, Navy reports that it is not justifiable to use the British submarine SEAL even in the transport service, on account of its great technical defects. The boat is to be used for salvage.

The Commander in Chief, Navy reports the necessity of asking for officers, noncommissioned officers, and men from the Army after the Eastern Campaign, in order to provide crews for submarines for a long time ahead.

The Fuehrer agrees.

5. The Commander in Chief, Navy asks whether operation "Seeloewe" is now only going to serve as a camouflage, or whether it is actually to be carried out.

The Fuehrer explains that this question cannot be answered definitely. It is certain, however, that the operation cannot be carried out before spring 1942. The Fuehrer believes that Britain will not continue to fight if she sees that there is no longer a chance of winning. Britain is already beginning to have misgivings, in view of the U.S. occupation of Iceland.

The Commander in Chief, Navy declares that means of transport cannot be provided at the expense of naval raw materials and construction facilities. The High Command, Navy will make appropriate representations to the Armed Forces High Command.

6. The Commander in Chief, Navy reports that the person chiefly responsible for the loss of the three mine layers was unaccountably acquitted at the court-martial. The Commander in Chief, Navy did not endorse the decision, but ordered another trial.

signed: Raeder

Situation in the Battle of the Atlantic.

The present situation with regard to the campaign in the east, the unfavorable developments in the Mediterranean situation, the decrease in successes in the Battle of the Atlantic, the conduct of the U.S.A., Franco-German relations, and the attitude of Japan necessitates a review of the state of the Battle of the Atlantic.

The result of the examination shows the following:

1. The Battle of the Atlantic is proceeding unfavorably at the present time. The enemy is countering all German measures for warfare against merchant shipping with the strongest possible defenses. With the help of the U.S.A. he has built up in the North Atlantic, his main supply area, a defense network and a convoy system which give the greatest possible protection against German attacks by surface forces, submarines, and aircraft. He has thus greatly reduced the number of ships sunk by our forces. The whole situation in the Atlantic has become more unfavorable for all our forces because of the occupation of Iceland and the increasing effect of U.S. support.
2. The enemy convoy and supply traffic is now as before the weakest and most vulnerable point of British war strategy. The aim of German war strategy against Britain must therefore be a war of destruction against British supplies in the North Atlantic. The strength of the enemy defenses makes it necessary to concentrate all available forces on this one target.
3. The situation in regard to submarine warfare is unsatisfactory. Successes have decreased greatly. This is the effect of strong British escorts and U.S. patrols. It is of decisive importance to increase successes, and it is possible to do this.
4. Air attacks against supplies are very promising, but here too successes have greatly decreased. It is necessary to increase substantially the number of operations.

This examination by the Naval Staff leads to the following conclusions and proposals:

a. In the political sphere:

(1) We must eliminate the possibility of revolt in the French North African and West African possessions; we must prevent their being captured by Britain and the U.S.A. These are the prerequisites for retention of our own position in North Africa, for Italian endurance, for a final clarification of the Mediterranean problem, and for a successful continuation of the Battle of the Atlantic. Loss of the French African colonies to Britain and the U.S.A. would entail the great danger that it would no longer be possible to overthrow the British; the enemy would moreover gain a very large assembly area for his operations on the southern flank of Europe.

The Naval Staff considers that military cooperation with France is necessary in order to gain control of the most important strategic bases for the decisive operations of the Battle of the Atlantic and in order to cut off the Anglo-American sea connections to a degree decisive for the outcome of the war. The Naval Staff considers it necessary to clear up Franco-German relations on the basis of political and military cooperation, and therefore advocates such cooperation, even if it involves some political concessions and temporary political disadvantages.

(2) Our relations with Spain and Portugal must be of such a nature that any attempt by Anglo-American forces to occupy these countries, as well as the island groups of the Azores, Cape Verdes, and Canaries, will meet with the severest opposition by the forces stationed there. A strengthening of the defenses of these bases, as well as of the defenses of French West Africa, is of great importance to Germany and calls for the use of all available means and the utmost speed.

(3) The situation in the Mediterranean and the alarming situation as regards supplies and reinforcements carried by the North African transports make it urgently necessary that the Italians employ far stronger forces in their operations than they have done up to now. It seems necessary to point out most emphatically to the Italian Government the seriousness of the situation by giving an objective presentation of the facts, and to exercise strong pressure on the Italian Armed Forces.

(4) The extent of American support to Britain makes it necessary to sanction warfare against American merchant ships according to prize regulations, as soon as the conclusion of the Eastern Campaign permits this political decision.

(5) Japan should be persuaded to adopt a political attitude or to take military action which will ease the situation in the Battle of the Atlantic.

b. In the military sphere:

(6) All necessary personnel and materiel should be mobilized in order to accelerate and intensify as much as possible the measures connected with submarine warfare.

(7) Long-range reconnaissance units with the greatest possible range should be formed for the support of submarine warfare.

(8) The strongest possible air forces should be concentrated against British supplies along the coast of Britain and in the Atlantic. Special strong air squadrons should be formed for the Atlantic to intensify air warfare against supplies.

(9) As soon as possible we should start large-scale aerial mine-laying operations, which, with the new types of mines, promise to be most effective.

(10) Systematic attacks against the British harbors and British naval vessels should be continued, aiming primarily at the destruction of aircraft carriers and destroyers.

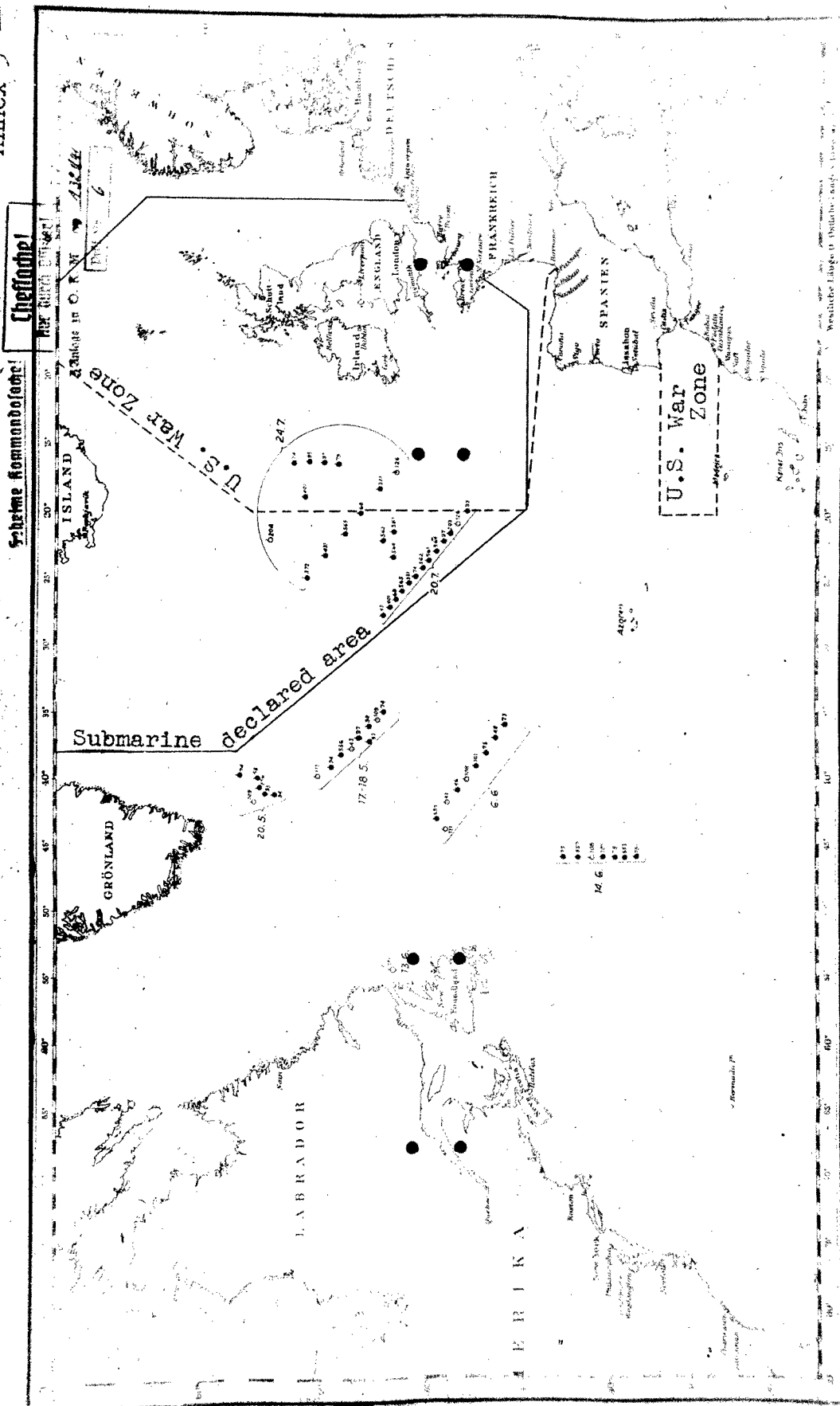
(11) Preparations should be made at once so that the defenses of Casablanca and Dakar may be strengthened by means of German air and land forces if necessary.

(12) France, with all her bases and naval forces, should be drawn into the naval battle against Britain.

Opinions expressed by the Commanding Admiral, Submarines
on the results and prospects of the submarine war.

1. The main problem of submarine warfare lies, now as before, in locating the enemy proceeding in convoys over a wide area.
2. The attempt to find a convergence of the traffic routes further to the west has not brought any results; fog and bad weather have been essentially responsible for this failure. The new patrol line of 21 July (see map, Annex 3) will therefore attempt to intercept traffic nearer to the British coast. This new patrol line is possible because of the increasingly longer nights, in which boats can evade pursuit if necessary. At the same time a renewed attempt at direct cooperation with air reconnaissance is made possible.
3. In spite of this, the problem of reconnaissance can be solved in the main only by a larger number of submarines. Any withdrawal of boats for special duties therefore diminishes the chances for success in the war against merchant shipping more than the actual number of boats withdrawn would indicate.
4. From the results achieved in submarine warfare it has become increasingly noticeable that predominantly new submarines with inexperienced crews are out on operations. Nevertheless the successes in June and in the first ten days of July were satisfactory.
5. A new situation has arisen in the southern area owing to collapse of supply facilities. This situation has obviously become still more difficult because the enemy traffic has moved into the area closed to submarines.
6. In spite of the points mentioned, the present low results in submarine warfare must be considered as a temporary phase.

Commanding Admiral, Submarines



1. Situation in the Arctic Ocean:

The importance of capturing Murmansk has been emphasized repeatedly by the Navy. The longer the capture of this harbor is deferred, the more incentive is offered to Britain to gain a foothold there; she has been interested in this Russian port of access to the Atlantic for a long time. The landing of British troops in this area might lead to such a stiffening of resistance that air and army reinforcements would have to be diverted from other fronts to this center. The enemy would thus be successful in diverting German forces.

The left wing of the Army group under Dietl is brought to a standstill indirectly by the flanking position of the Ribachi Peninsula, and directly by the troops in the strip of land 10 kilometers long between Titovka Bay and Litsa Bay. Only the innermost tip of the latter is in German hands. Two battalions of troops from the Ribachi Peninsula and Kola Bay were landed in the area adjoining Motovski Bay. The entrances to Kola and Motovski Bays, and thereby also to Titovka and Litsa Bays, are mined, according to statements made by Russian Army officers taken prisoner.

Consequently it is possible for the destroyer flotilla to enter Motovski Bay only if a motor mine sweeper flotilla is provided and moreover if there is adequate fighter protection in view of the air situation. The freedom of movement of the forces will be unbearably restricted even then, however, in view of the batteries on the Ribachi Peninsula, quite aside from the fact that neither the motor mine sweepers nor the fighter planes are available with the present disposition of sea forces and the assignments given to the 5th Air Force.

Even the combined firing power of the destroyers while breaking through the mine field at Motovski Bay will not have any lasting effect on the enemy positions on the high plateau dominating Litsa Bay, as these positions are inaccessible from the sea. The operations by the destroyers and also by the submarines will have to be restricted, therefore, to operations in the sea area between Kola Bay and Motovski Bay, in order to prevent or at least impede traffic on the supply route from Archangel to Murmansk, Murmansk to Litsa Bay, and Archangel to Kandalaksha. The first destroyer operation into this area took place on the night of 21 July. The Air Force is mining the harbor of Murmansk again.

Two submarines are in the operational area off the Ribachi Peninsula, and two more are to leave Trondheim on or after 24 July to be at the disposal of the Commanding Admiral, Norway.

The Fuehrer agrees.

2. Situation in the Gulf of Finland:

The Army's thrust along the eastern edge of Lake Peipus towards Narva to the north and Leningrad to the northeast, during which the left wing weakened and fell back, afforded the enemy, operating from Estonian harbors, sufficient time to sweep enough mines to be able to operate in the area between Reval (Tallinn) and the Baltic islands with disturbing effect, and to attack our supply lines by sea and our right wing. If the extreme left flank had kept up a continuous advance the enemy would have been driven from Oesel and Dagoe and would have been

forced systematically bay by bay from Port Baltiski via Reval (Tallinn) to Kronstadt. If such an advance had been made the defensive strength of the islands and Hangoe would have been greatly reduced.

At the present time the enemy feels the pressure against the Bay of Kronstadt more strongly than against the western sector of the Gulf of Finland; instead of our tying up the bag, so to speak, he is being squeezed out of it from beneath. This may result in an undesirable transfer of enemy forces to the west, and, if he loses his last base, he may make a desperate attempt to break through to Swedish territorial waters. While a break-through out of the Bay of Kronstadt must seem pretty hopeless even to the enemy if the coast of Estonia is in our hands, if we hold only the Baltic islands and Hangoe, such a break-through can be made more difficult by the use of more submarines and PT boats, but it cannot be prevented entirely.

Berlin 26 August 1941

Commander in Chief of the Navy

Report of the Commander in Chief, Navy to the Fuehrer
at Wolfsschanze in the afternoon of 22 August 1941.

Present: Chief of Staff, Armed Forces High Command
General Jodl
Captain von Puttkamer

I. Points suggested for the conference between the Fuehrer and the Duce.

1. The transport situation in the Mediterranean.

a. By the middle of September, shipping space ready for use, including German ships, ships chartered from Spain, and Danish and Belgian ships taken over from the French, will amount in all to:

16 sea-going ships totalling	54,100 BRT
<u>13 coastal ships totalling</u>	<u>11,600 BRT</u>
29	65,700 BRT

This shipping is adequate for the time being for transports to Africa.

German shipping reserves in the Mediterranean are low; they are as follows:

Eleven ships totalling 31,000 BRT used for ore transport; commandeering these would involve economic disadvantages.

Seven ships totalling 15,000 BRT used for operations in the Aegean and the Black Seas; they are indispensable there.

Losses in German shipping up to 31 July amount to 73%. Further losses must be expected.

b. The transport situation could be improved by using the French merchant marine or non-French ships lying in French ports, and later by capturing Gibraltar, making it possible to bring German ships into the Mediterranean.

c. Demands to be presented to Italy.

(1) Increased use should be made of Italian shipping.

The following ships are available in Italy:

120 freighters over 2,000 BRT, totalling 552,000 BRT	
114 freighters under 2,000 BRT, totalling 122,000 BRT	
46 passenger ships	} 445,954 BRT
<u>19 tankers</u>	
299 ships	1,119,954 BRT

Previous experiences have shown that the Italians are very reluctant to use their shipping. Their intention to retain their shipping for commercial use during the period after the war when there is a shortage of shipping is obvious. Very strong pressure by the Government is necessary here. In order to carry out German transports most effectively it is necessary that the Italians surrender ships to the German Commanding Officer, Supply and Transports for purely German use.

(2) Malta should be attacked and the escort service should be improved, in order to keep losses within reasonable limits. For this purpose search receivers delivered from Germany should be put to appropriate use by installing them on ships really suitable for anti-submarine warfare, making use of German proposals and experiences.

(3) Italian facilities and workmen should be used for construction of German transport ships according to German plans and under German supervision. German aid in materials should be afforded by the Ministry of Economics. (It is intended to use similar measures in other coastal areas, for example in France, Russia, Rumania, etc.) The construction of these ships (using simplest design and mass production techniques) is important because of constant losses in ships, the impending large transport tasks, and also in order to relieve and improve merchant shipping. Construction of tankers is particularly urgent.

It is planned to construct approximately the following ships, all with "SS" priority:

Thirty troop transports of 5,000 BRT
Twenty troop transports of 3,000 BRT
Twenty tankers of 3,000 BRT

2. Capacity of African harbors.

a. The capacity of Tripoli and Benghazi is barely adequate to handle current supply traffic. A larger number of transports could be managed only by considerably increasing transloading performance and by expanding all Libyan ports. Measures of great urgency, such as removal of wrecks and improvement of clearance facilities at the landing stages, are not being carried out with the necessary vigor. The Commanding Officer, Supply and Transports in Italy, on instructions from the Naval Staff, has already repeatedly offered German assistance in expanding the Libyan ports, both verbally and in writing. So far, the Italians have not accepted the offer.

b. Italy should be requested to make use of the German offer of assistance in material and personnel for expanding African ports.

3. Italian transport ships used in Libyan traffic since the beginning of the German crossings.

a. Freighters:

Troop and cargo transports	22 ships = 127,735 BRT
In addition, from Albanian traffic	2 ships = 11,711 BRT
<u>New addition</u>	<u>1 ship = 6,300 BRT</u>

Total shipping used for Libya 25 ships = 145,746 BRT

Completely lost 6 ships = 30,822 BRT

In operation at the present time 19 ships = 114,924 BRT

b. Passenger ships (purely for transporting men without materiel or equipment, therefore of no practical use to us):

Put in operation, 6 ships = 93,529 BRT

Lost 1 ship = 17,779 BRT

In operation at the present time 5 ships = 75,750 BRT

German ships in operation at the same time:

Total put in operation 38 ships = 152,237 BRT

Damaged 7 ships = 38,565 BRT

Completely lost 18 ships = 83,597 BRT

Ready for operation 13 ships = 29,975 BRT*

The Fuehrer notes and approves the foregoing points, which are given in writing at the same time to the Chief of Staff, Armed Forces High Command. He will discuss them with the Duce.

II. Development of relations with France.

The fundamental views of the Naval Staff as expressed in the memorandum on the Battle of the Atlantic are stated. (See Annex 1, Conference 25 July 1941, Tr.N.) The demands made in this report can also be met step by step rather than all at the same time, e.g., first of all the question of transport shipping can be solved, then West Africa can be secured, and finally there can be unlimited cooperation. So far, the French have handed over to us five Belgian and three Danish steamers totalling 15,300 BRT. Our demand for nineteen ships totalling 74,000 BRT has not been met as yet. The following demand should be made:

a. Suitable ships should be sold or chartered to us.

b. Certain transport tasks from Toulon and Marseille to Bizerte should be taken over by French shipping under French escort.

The Chief of Staff, Armed Forces High Command replies with regard to point "a" that negotiations are in progress; and with regard to point "b" that this question can be solved only in conjunction with the whole Bizerte problem.

III. The importance of Gibraltar and cooperation with Spain.

As long as relations with France are not completely cleared up, and co-

*Apparent error in original

operation with her is not effectively established, the occupation of Gibraltar continues to be of decisive importance. If we occupied Gibraltar we would rule the Western Mediterranean, and even the importance of Malta would be reduced to a certain degree.

Cooperation with Spain is not only a necessary condition for the attack on Gibraltar, but also offers very valuable bases on the Atlantic coast to the German Navy, e.g., El Ferrol and Cadiz, which are situated nearer to the operational areas and further away from enemy bases and airports.

Cooperation with Spain and control of the Strait of Gibraltar would enable us to bring naval forces and transport vessels into the Mediterranean. This might be of decisive importance for the transport situation in the central Mediterranean.

The Fuehrer fully appreciates the importance of Gibraltar.

The investigation made by the Naval Staff of the artillery defenses of the Spanish harbors of El Ferrol, Cadiz, and of the Canary Islands has shown that it is necessary to get anti-aircraft batteries and searchlights to El Ferrol and Cadiz before the commencement of operation "Felix". Possibly mines should be sold to Spain for the purpose of closing the Strait of Gibraltar. Permission to begin the preparations is requested. (See Annex 1.)

Permission must be obtained from the Chief of Staff, Armed Forces High Command.

IV. Change in the American Neutrality Zone.

In view of the increasingly unfavorable political attitude which the South American countries are adopting towards us, the Naval Staff has asked the Foreign Office to consider whether it might not be warranted to disregard the Pan-American Safety Zone which we still respect as far as 300 miles off the coast of South America. The Naval Staff suggests that the boundary should be pushed back to 20 miles off the coast. The opinion of the Foreign Minister is requested on this point. (All South Atlantic shipping has been transferred into the neutrality zone.)

The Fuehrer will await a statement from the Foreign Minister.

V. Concentration of submarines in the Atlantic.

The Fuehrer touches on the question of transferring submarines to the Mediterranean.

The Commander in Chief, Navy states that in view of the fact that enemy convoys are more and more heavily escorted, successes can be achieved only if they are attacked, not by just a few, but by a large number of submarines simultaneously. The transfer of enemy traffic to more distant and remote areas also necessitates use of a very large number of submarines merely to locate the enemy convoys. Even with the gradual increase in the numbers of submarines, therefore, all available boats will have to be concentrated in the Atlantic. Only in this way can we expect to achieve decisive successes. Submarines should be transferred to other theaters of operation and to other tasks only in cases of great emergency. The Commander in Chief, Navy

has ordered the withdrawal of the four submarines from Finland and the four submarines from the outlets of the Belts and the Sound, in order that the numbers of Atlantic submarines should not be reduced further; he believes that no submarines should be transferred from the Atlantic to the Mediterranean until there are forty operational submarines in position in the Atlantic.

The Commander in Chief, Navy also points out the differences between methods of submarine warfare in the Mediterranean and in the Atlantic, as well as the different nature of the anti-submarine defenses.

The Fuehrer elaborates on the following points: The British will probably undertake an attack on Sollum and Tobruk to relieve the Russians; the surrender of North Africa would mean a great loss both to us and to the Italians; the British are very dependent on supplies by sea in the Eastern Mediterranean; the Italians have achieved nothing with their submarines. It is very desirable to relieve the Africa Corps with a few German submarines, and he proposes sending three groups of two vessels each, totalling six in all.

The Commander in Chief, Navy recommends a conference with the Duce first and a request for a suitable base, which would then be equipped by us.

The Fuehrer agrees.

The Commander in Chief, Navy does not believe that the Duce will agree.

VI. The question of eliminating Hangoe.

Speedy elimination of Hangoe is necessary. The Naval Staff brought up the question in a letter to the Armed Forces High Command, proposing that Hangoe be occupied soon. (See Annex 2.)

General Jodl states that the Finns will be able to take steps to occupy Hangoe only when operations on Lake Ladoga are over. Heavy artillery can be transported to the vicinity soon.

VII. To what extent will the Baltic countries belong to the Greater German Reich after the war, making it possible for such ports as Libau, Tallinn, and Baltic Port to be used as shipyards and bases?

The Fuehrer states that the bases can definitely be counted on; he will not surrender the Baltic countries.

VIII. What are the Fuehrer's intentions with regard to the future status of the Channel Islands?

Are they to belong to the Greater German Reich even if the French coast near them is not in our possession?

The Fuehrer wishes to retain the Channel Islands; he would like to fortify them as strategic bases.

IX. What is the Fuehrer's opinion of Japan's political attitude?

The Fuehrer is convinced that Japan will carry out the attack on Vladivostok as soon as forces have been assembled. The present aloofness can be explained by the fact that the assembling of forces is to be accomplished undisturbed, and the attack is to come as a surprise move.

The Fuehrer assumes that the positions in Indo-China are being secured at the same time, and that Thailand has special agreements with Japan.

X. Operation "Seeloewe".

The Commander in Chief, Navy requests a decision on the proposal made by the Naval Staff with regard to operation "Seeloewe".

The Chief of Staff, Armed Forces High Command states that the matter was presented to the Fuehrer; a decision about determining the exact facilities available will be forthcoming within a few days.

The Fuehrer is anxious that the threat to Britain should never quite cease so that as many British forces as possible will be tied down.

XI. Norwegian ships in Sweden.

The Commander in Chief, Navy explains the situation with regard to Norwegian ships in Sweden. Sweden has declared that she guarantees none will escape in the immediate future; that Germany should, however, arrange with the Norwegian Shipping Union for the ships to be handed over to Germany. This company is under pro-British management and recognizes the old Norwegian Government. This company will work in our interests only if it comes under the control of the National Socialists. Quisling should be commissioned to arrange this.

The Fuehrer orders an investigation to be made.

(The Commander in Chief, Navy gives General Jodl a copy of the notes made by Professor Aal on these questions.)

XII. Guns for the Russians. (See Annex 3.)

signed: Raeder

Defenses of the Spanish Harbors of El Ferrol and Cadiz
and of the Canary Islands.

1. El Ferrol.

a. Coastal batteries: The number and range of the guns are adequate. Ammunition supplies of the six new type 38.1 cm. Vickers batteries (British make, range 35,100 m.) are insufficient. Possibilities for remedying this situation are being investigated.

b. Anti-aircraft artillery: Three 10.5 cm. anti-aircraft batteries, of four guns each, are available. They are of little value as far as fire control apparatus is concerned, and considering the size of the area to be defended. Illuminants are completely lacking.

2. Cadiz.

a. Coastal batteries: These are numerous, but are of small caliber and obsolete. One 30.5 cm. twin turret is to be completed in the south in September. One heavy long-range battery is needed in the north near the estuary at Huelva.

b. Anti-aircraft artillery: Only one 10.5 cm. battery consisting of four guns, and two 7.5 cm. batteries consisting of four guns each are available. There are no illuminants. Defensive strength is small.

Should operation "Felix" be executed, each of the two ports will be provided with one heavy and one light army battery, these to be replaced later by naval guns as follows:

El Ferrol:	four 30.5 cm.	Nina guns
	four 15	cm. guns
Cadiz:	two 34	cm. railway batteries (captured French)
	four 15	cm. batteries (first at the disposal of
the Army against Gibraltar)		

Anti-aircraft defense must be considerably strengthened both in El Ferrol and in Cadiz.

3. Canary Islands.

a. Coastal batteries: Long-range batteries (up to 21,600 m.) are available only at Santa Cruz de Tenerife, Las Palmas, and the airfield at Gando. Coastal artillery is also stationed almost exclusively at these places. There are a few mobile batteries. The equipment is for the most part obsolete, with the exception of the long-range batteries; they have a slow rate of fire, and use black-powder shells.

b. Anti-aircraft artillery: There is one anti-aircraft battery of four 7.5 cm. guns on Tenerife, and one on Grand Canary; they have no modern sighting devices.

c. The Army, mobilized, consists of 38,000 men. Heavy weapons are lacking. Lines of concrete emplacements, field fortifications, and road improvements are under construction.

d. The Air Force: There are two airfields, one at Gando, on Grand Canary, and one at Los Llanos on Tenerife.

In December, twenty five Fiat type fighter planes were stationed at Gando. The airfields are being improved. There is a shortage of gasoline.

Attempts to land can be prevented for some time if a good defense is put up. The duration of this resistance would depend primarily on supplies. Heavy damage to harbor installations by long-range naval guns could hardly be prevented.

According to a communication from Madrid, the six German 17 cm. coastal guns and the six German 15 cm. coastal guns were shipped from Cadiz to the Canary Islands on 12 August. The necessary technical personnel is in Spain and will be taken to the islands by air.

On the south coast of Spain and on the coast of Morocco coastal artillery is well placed, and work is progressing satisfactorily.

Searchlights are almost entirely lacking everywhere.

Berlin 8 August 1941

Naval Staff

Subject: Hangoe

As far as is known here, there is no longer any intention of supporting the Finns on the Hangoe front. The enemy will therefore probably be able to hold out in Hangoe for some time to come, and to station parts of his Baltic fleet there.

Hangoe offers an excellent base for light naval forces, particularly for submarines, in view of the equipment which is available there or which could be brought up from Leningrad, Tallinn, or Kronstadt without difficulty within a short time.

Both at sea and from the sea the German Navy cannot substantially hamper the operations of enemy forces based at Hangoe. As long as Hangoe remains in enemy hands, there can be no substantial relief for operations in the Baltic. The result is as follows:

1. Army supplies by sea as well as merchant shipping to and from Scandinavia, particularly ore imports from Lulea, continue to be exposed to dangers and possible losses.
2. The number of new submarines becoming available for operations is reduced considerably because trials and training of newly commissioned submarines is greatly hampered.
3. Forces urgently required at other points are tied down in the Baltic Sea, i.e., submarines, PT boats, motor mine sweepers, mine sweepers, patrol and escort craft, mine layers, and naval air forces.
4. Trials and training of new surface forces, as the TIRPITZ and destroyers, are being delayed further. Increasing disadvantages and difficulties are resulting from interference with regular training schedules of all other units of the fleet.

The Naval Staff feels obliged to call attention to these conditions once more at this time, so that measures can be taken to eliminate Hangoe as soon as possible as a base for Soviet forces.

signed: Fricke

Summary of the heavy and medium guns with cradles which were being manufactured for Russia.

1. Heavy guns:

Sixteen 38 cm. guns with cradles, including reserves, were under construction for the Russians. Eight of these have been completed, and are distributed as follows:

Four have been sent to battery "Hanstholm II" in Denmark.

Four are intended for the battery under construction at Kristiansand, Norway.

If the Russian program had been carried through, we would have had to convert the above batteries and equip them for the time being with fewer guns.

The remaining eight guns are still under construction and are not expected to be ready for delivery until after the middle of 1942, at the rate of one a month. The first seven of these guns are to be given to the Army for use as railway guns. The Army will make replacements to the Navy about 1943.

Construction on the 38 cm. turrets has been stopped, in order to release productive capacity which is urgently required. They could be completed if the ships in Russia for which they were intended are to be finished.

2. Medium guns:

Twelve 15 cm. rapid firing C/25 guns in four 15 cm. triple turrets.

Work has been suspended, as it was not sufficiently far along to make completion worth while during the war.

3. 20.3 cm. guns with cradles from cruiser "L":

Four guns with cradles are available. These were placed at the disposal of the High Command, Army, following a letter by the Chief of Army Equipment and Commander of the Replacement Army (Az 73 1 0093 Wa Pruef. 4 - VII c - B. Nr. 4622 geh./41) dated 14 July 1941.

Four guns with cradles have already been delivered.

4. The Commander in Chief, Navy is considering setting up the 40.6 cm. guns from Hela near Skagen after the Russian danger has been removed, in order to control the Kattegat as far as Swedish waters.

High Command, Navy

Report by the Commander in Chief, Navy to the Fuehrer
at Wolfsschanze in the afternoon of 17 September 1941.

Present: Foreign Minister
Ambassador Ritter
Chief of Staff, Armed Forces High Command
General Jodl
Commanding Admiral, Submarines
Captain von Puttkamer

1. Roosevelt's speech: See Annex 1 for an evaluation of the strategic and political aspects by the Naval Staff and suggestions for further strategic measures.

On the basis of a detailed discussion of the situation as a whole, in which it appears that the end of September will bring the great decision in the Russian campaign, the Fuehrer requests that care be taken to avoid any incidents in the war on merchant shipping before about the middle of October. Therefore the Commander in Chief, Navy and the Commanding Admiral, Submarines withdraw the suggestions made in Annex 1. The submarines are to be informed of the reason for temporarily keeping to the old orders.

2. Summary of the situation on 15 September:

- a. The Baltic Sea and the Gulf of Finland: (See Annex 2.) Following the elimination of Oesel and Dagoe, the Russian naval forces and merchant vessels will still have the use of Kronstadt Bay and Hangoe. The main naval force is lying at Kronstadt. Our PT boats and motor mine sweepers are in the process of blocking Kronstadt Bay by means of mine fields. Army coastal batteries are scheduled to take part in the blockade. In addition there are Russian mine fields which have evidently been laid during the past few days by cruisers and destroyers; they are probably mainly anti-submarine barrages with gaps. At present the Russians are apparently still maintaining a mine-swept channel through the German-Finnish barrages to Hangoe. However, no major movements of Russian forces in the Gulf of Finland have been observed recently. Their freedom of movement will be further reduced by German-Finnish mining operations.

The Naval Staff considers it highly improbable that Russian warships and merchant vessels will break out of Kronstadt Bay to Sweden. The whole attitude of the Russians so far speaks against such intent on their part, particularly since they have laid a barrage themselves to close Kronstadt Bay and are using numerous ships crews in land fighting. If they do try to break out, heavy losses can be anticipated from mines, PT boats, and planes. If a determined, desperate attempt is made to break out, however, the German Navy cannot completely prevent fast, light units from slipping through. The same applies to Hangoe. On the other hand, once all Russian bases have been eliminated, it will be impossible for Russian forces to attack German sea communications in the Baltic Sea, or to break through the Baltic Sea approaches to the British Isles.

b. Northern Norway: The British realize the vital importance of the sea route off the Arctic coast for supplies of the German Armed Forces, and they are operating in the northern area with several cruisers, destroyers, one or two aircraft carriers, and submarines. Our own naval and air resources are slight. At present troop transports are unable to proceed east of North Cape. Supply steamers can do so only at very great risk. As the activities of the Air Force are reduced by approaching winter, the threat from surface forces increases.

The submarine danger is being reduced as far as possible by the addition of more subchasers and escort vessels. The threat from surface vessels remains, however, since the British, with bases at Murmansk and Archangel, can always commit stronger forces than we.

Occupation of Murmansk continues to be an important prerequisite for the protection of our supplies. Even after Murmansk is captured, however, enemy operations in the Arctic Ocean will continue to harass our supply lines.

In a personal talk with the Fuehrer, the Commander in Chief, Navy points out the importance of occupying Archangel as well, in order to deprive the British of every base for attack in the north.

The Fuehrer replies that at least the railway to Archangel will be cut.

c. The Channel and the Western Area: Increased enemy activity by means of new PT boats and by brisk air attacks on our convoys have caused some regrettable losses in materiel and personnel, and a number of escort vessels were damaged. Further attacks must be expected, as the enemy will want to profit from the present German concentration of forces on the Eastern Front and the more favorable seasonal conditions. In early October our own PT boat activity will be intensified after the PT boats used in the Russian area have been overhauled.

Patrolling of the Atlantic coast has been successful. It is gratifying to report that, through good cooperation between the coastal defenses, air reconnaissance, and submarines, the auxiliary cruiser ship "36" and the ANNELIESE ESSBERGER, coming from East Asia, were successfully brought in. The cargo included 4,000 tons of rubber!

d. The heavy surface forces are still undergoing repairs, overhaul, or trials. Operations in the Atlantic with battleships or cruisers will not be possible before the beginning of 1942.

The Fuehrer discusses the question of whether it would not be better to station the battleships along the Norwegian coast, in order to defend the northern area. They cannot be protected from air attacks in Brest.

The Commander in Chief, Navy answers that basically the idea of using these ships to wage war against merchant shipping in the Atlantic is the correct one. Originally the battleships were not supposed to remain in Brest very long, since at that time it was definitely hoped that they would be able to use the Spanish bases, from which the Battle of the Atlantic could have been fought very advantageously.

The heavy vessels will not be ready for important operations before the beginning of 1942.

e. Cruiser warfare in foreign waters: Despite enemy counter-measures and strategy, the auxiliary cruisers have been able to achieve further successes. At the present the zones of operations of the auxiliary cruisers are as follows:

Ship "16" is in the West Pacific; at the end of the year she will proceed around Cape Horn to the Atlantic and make for the French coast.

Ship "45" is in the East Pacific, with the valuable prize KOTA NOPANG loaded with rubber and tin. She will also return home via the Atlantic in the near future.

Ship "41" is in the Indian Ocean.

Two new auxiliary cruisers will leave port at the end of October and the end of November, and two more in the spring.

As for blockade-runners, one is still en route from East Asia carrying rubber. Two more ships will be ready to leave shortly. The steamer WINDHUK is to leave South America and make for the Atlantic coast of France. The outlook for blockade-runners may be considered favorable.

f. Submarine warfare: The Commanding Admiral, Submarines discusses the main aspects of submarine warfare: Execution of operations, effectiveness, countermeasures, measures against radar, new type of torpedo, etc.

The latest successes should not be allowed to obscure the great difficulties caused by the very strong Anglo-American escorts and the extensive enemy air patrol. In order to be as successful as last year, three to four times as many submarines are needed in view of the heavily escorted convoys. Reconnaissance to locate enemy convoys is still the main problem.

However, the number of submarines becoming available by the end of October permits us to anticipate increased successes, especially if the number of planes available for reconnaissance will increase likewise.

g. Situation in the Mediterranean: As the Fuehrer knows, our North African supply shipments have recently suffered additional heavy losses of ships, materiel, and personnel as the result of enemy air attacks by means of bombs and torpedoes, and through submarine attacks. The views held by the Naval Staff are found in the telegram in Annex 3. Evidently this telegram, together with the appeal for help made by the German General attached to the Italian Armed Forces was responsible for the order from the Fuehrer to concentrate our own air forces on escorting supply shipments, to dispatch immediately six submarines without taking Italian operations into consideration, and to speed up the transfer of motor mine sweepers and PT boats.

See Annex 4 for losses in the Mediterranean from 1 July to 14 September.

Submarines for the Mediterranean: Two boats are en route, two will leave at the end of the week, and the remaining boats will be ready on

22 and 27 September.

Transfer of motor mine sweepers and PT boats: Preparations have begun. The necessary conversions are being made. The work has been arranged so that the transfer is possible without calling upon French shipyards. The proposed flotilla commanders have been sent to Italy to make preliminary arrangements.

Due to prompt withdrawal, five PT boats and four motor mine sweepers are now ready to leave port. The remaining boats will not be available until the completion of the operations in the Gulf of Finland and subsequent overhaul.

3. The question of later utilization of Oesel by the Navy: There are no installations for a naval base on Oesel. It would be possible to equip one only at great expense. The Naval Staff requests Libau, Tallinn, and Baltic Port as bases and naval training areas, and also priority in the use of Riga.

Oesel could be substituted for Ruegen harbor. It would then no longer be necessary to install a base at the latter place.

4. Curtailment of construction projects for the Armed Forces: In view of the total change in the air situation in the east, the Naval Staff considers that Gdynia is no longer particularly menaced from the air. Thus, in keeping with the over-all cut in construction projects for the Armed Forces, it intends to cancel the previously ordered construction of air raid towers for submarine personnel at Gdynia.

The Fuehrer agrees.

5. The Fuehrer sanctions the publication of an article in "Nauticus" on the achievements of Admiral Luetjens and the BISMARCK.

6. The Commander in Chief, Navy reports that Captain Breuning has been court-martialled for the loss of the mine layers, and that proceedings have been initiated against an officer on the staff of the Commanding Admiral, Cruisers.

7. The Commander in Chief, Navy reports the contents of a communication from Lieutenant Witting on the treatment of his wife by the Gestapo.

The communication has been transmitted to the Chief of Staff, Armed Forces High Command by the Commander in Chief, Navy, with a request for an investigation.

signed: Raeder

See also Annexes 5 and 6.

Re: The Speech made by the President of the U.S.A. on
11 September 1941.

I. Strategic and political situation:

The strategic and political situation created by the speech of the President of the U.S.A. can be evaluated as follows:

A. Roosevelt stated that the "time for active defense" has come. The U.S. patrol vessels and planes will protect all merchant ships, not only United States ones, within the "American defense waters", and in so doing they will "no longer wait" until the warships of the Axis attack. The mere fact of their presence in these waters "is equivalent to an attack". From now on they will sail in these waters only "at their own risk".

Thus the situation has become considerably clearer: In the future American forces will no longer be employed merely for reconnaissance but also for convoy duty, including escort of British ships. German forces must expect offensive war measures by these U.S. forces in every case of an encounter. There is no longer any difference between British and American ships.

B. The meaning of the expression "American defense waters" is not explained in Roosevelt's speech. According to a telegram from the Charge d'Affaires at Washington dated 15-16 September, shown by the Foreign Minister, Secretary of the Navy Knox defined them as the waters "between the American continent and the waters of Iceland" (see Appendix 1 to Annex 1).

C. This general order to attack, together with the occupation of Iceland, will be extremely injurious to German warfare on merchant shipping in the Atlantic; patrols will be multiplied and the defenses become more effective. Thus further incidents will be unavoidable if Germany continues warfare on merchant shipping.

D. From the standpoint of international law, the U.S. President's order to attack amounts to a declaration of war within a limited area. For within the "American defense waters", which means practically the entire western part of the Atlantic outside the American danger zone or the old German blockade zone, the U.S.A. are claiming the same rights that we, as belligerents, claim within the blockade zone.

E. Strategically the only possible consequence is to reply to each open warlike act with armed force according to strategic expediency. In particular we cannot expose our submarines to certain attack with depth charges and deprive them of the chance to defend themselves, which they can do only before the enemy attack starts. Hence our submarines must be permitted to take immediate action against any U.S. ships by which they can expect to be attacked. The only alternative is to withdraw our submarines from those waters in which U.S. forces may appear.

F. This resistance is strategically the only means of preventing further intensification of American war measures. With his order

to attack, the President of the U.S.A. is attempting to make us restrict our attacks through fear of incidents. If we yielded to this threat our successes would be considerably diminished, and this would merely encourage the Americans to constantly increasing interference - as in the World War. On the other hand, the incidents created by returning like for like, which cannot be avoided even with the restrictive orders which have prevailed up to now, would probably induce the President to restrict his measures rather than to intensify them; he evidently still wishes to avoid open warfare with Germany, at any rate as long as there is any doubt about Japan's neutrality. (See Appendix 2 to Annex 1.)

II. Conclusions with regard to our own orders: (See Appendix 3 to Annex 1.)

In view of this evaluation of the strategic and political aspects, it is suggested that our own orders should be amended as follows:

A. Naval vessels:

1. Naval vessels sailing alone:

a. Within the extended blockade area attack is sanctioned on any warship unless she is definitely recognized as a U.S. vessel. If the action of an American vessel can be construed to constitute an attack or pursuit, attack on the ship in question is also sanctioned.

b. Outside the extended blockade area attack is sanctioned on any warship recognized as an enemy vessel. At night attack is sanctioned on any warship proceeding without lights, unless she is recognized as American.

2. Escorting forces: Attacks on escorting forces are permitted in any operational area at any time without regard to the blockade area.

B. Merchant vessels:

1. Within the extended blockade area attacks without warning are permitted on any merchant vessels (with the exception of the special arrangement with Sweden).

2. Outside the extended blockade area:

a. Attack without warning is permitted if the ships are in convoy.

b. Against ships sailing alone: Enemy ships can be attacked without warning. American and other neutral ships must be dealt with according to prize regulations. They can be attacked without warning only when they are helping the enemy, use radio, or are proceeding without lights.

C. U.S.A. neutrality zone: As the President himself no longer mentions the U.S.A. zone, but extends the U.S.A. defense waters (Western Hemisphere) indefinitely to the east according to the whim of the U.S.A., the following is suggested:

1. Only a 20 mile neutrality zone should henceforth be respected off the coast of the U.S.A. If this measure is too drastic, the neutrality zone off the coast of the U.S.A. should be retained as far as 60° W.

2. Only a 20 mile neutrality zone should be respected off the coast of South America.

III. Proposals for Counterpropaganda.

The Naval Staff believes that for propaganda purposes the following points should be stressed:

A. The order to fire issued by the President of the U.S.A. rests on the falsification of five basic facts of the case. (Supporting documents have been given by the Naval Staff, Operations Division to the Foreign Office.) This applies above all to the GREER case. Here the old British Method of asserting that the opponent has broken the law has been adopted, in order to justify measures which are contrary to international law and which have been resorted to for some time already.

B. The order to fire is based on the false assertion that Germany is conducting unrestricted submarine warfare. Ignorance and inability to judge matters concerning international law are being exploited. German naval warfare has been conducted right from the beginning of the war according to prize law; intensification has been resorted to only as a countermeasure to British methods. Total blockade has been carried out only in the zone of operations in which there are no non-belligerent, unprotected merchant ships. Extension of the zone of operations to Icelandic waters was a strategic necessity after this island, which has always been European, was occupied by the enemy.

C. The order to fire is justified by misusing the slogan "freedom of the seas". Here, too, the West is betraying its own liberal ideals. For "freedom of the seas" has always meant only freedom for non-belligerent, neutral merchant trade not carrying contraband. Under cover of a fictitious neutrality, Roosevelt wishes to use warships sailing under a neutral flag to protect not only his own contraband ships but even enemy ships. He wishes not only to protect these ships, which provide the enemy with war material, from attacks by German forces which are permitted under international law, but even to bar Germany from waging warfare against merchant shipping in half of the Atlantic. A more brazen distortion of the principles governing the international rights of naval warfare is not conceivable.

D. The order to fire signifies that the U.S.A. has gone over from silent partnership and only indirect assistance to open participation in the war. The assertion by the President of the U.S. that Germany began aggressive action is politically illogical, for Germany has no interest in a war against the U.S. and no war aims with regard to her. Thus the responsibility is definitely established.

E. The consequence of the order to fire will of necessity

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lead to the commencement of hostilities. Up to now, in order to avoid any conflict, German naval forces had orders to take no offensive action in the so-called Pan-American Safety Zone and to take action against American ships, even when they were supporting enemy operations, only in defense against definite aggressive action. This generous renunciation of the rights afforded to a belligerent according to recognized international law, entailing severe disadvantages for our own conduct of the war, has become intolerable in view of the procedure adopted by the President of the U.S. In the future every act of war by an American ship or plane will be regarded and answered as such. The German ships will not be "the first to attack", but they will be "the first to defend themselves". This is the duty of the fighting man according to the laws of war.

Naval Staff, Operations Division, Foreign Affairs Section

Appendix 1 to Annex 1

Telegram

Washington, 15 September 1941 at 2011
Received: 16 September 1941 at 0900

After Senators Connally and Pepper, who are supporters of the administration, had already tried in press interviews - evidently on instructions and in order to calm public apprehension - to limit the term "defensive waters", in which the American Navy can fire, to waters of the Western Hemisphere which are patrolled by the American Navy, Secretary of the Navy Knox today defined the expression definitely in a talk to the American Legion Convention at Milwaukee: "From 16 September the American Navy will protect ships sailing under all flags carrying lend-lease war material between the American continent and the waters of Iceland 'as completely as lies in our power'."

Thus it is evident that the definition of the term in Roosevelt's speech was deliberately left vague for the present, primarily in order to comply outwardly with Churchill's wishes for active American aid in the war and in order to intimidate us and Japan; it is also evident that the American Navy is not capable of patrolling effectively the entire Atlantic including the route around Africa to Suez, but it can certainly take over entirely convoy escort between the American continent and Iceland. Knox's statement shows clearly that the President is well aware of the lack of operational capacity of American forces beyond this limited sphere because of commitments in the Pacific.

Am telegraphing appropriate extracts from this speech by Knox along with this message uncoded under reference no. 3194.

Thomsen

Appendix 2 to Annex 1

Berlin 12 September 1941

Naval High Command

To the Foreign Office

Attention: Minister Eisenlohr

Re: Incidents with American ships. Reference is made to the telephone conversation between Minister Eisenlohr and Count Stauffenberg on 12 September 1941.

With regard to the incidents mentioned by Roosevelt, the following statements can be made, based on evidence available from reports received by the Naval Staff:

1. GREER: According to a report from a foreign radio station, i.e., Reykjavik, the American destroyer GREER transmitted to all American naval vessels the following message:

"A surfaced submarine sighted at 1121 (German Summer Time) at 62° 48' N, 27° 30' W."

According to a message from U "652" she was attacked with three depth charges and further harassed by a destroyer, flag unrecognized, at 1230 on 4 September at 62° 31' N, 27° 06' W. At 1439 the submarine fired a spread of two in defense, which missed and was observed. She was further pursued with depth charges until 2330. The submarine suffered no damage. The weather was good. So far, no further messages have been received.

2. ROBIN MOOR: According to a message from a submarine the steamer was sighted at 0430 on 21 May 1941 at about 5° N, 27° W. She carried no illuminated neutrality markings. The flag could not be recognized. The vessel had an unusually high deck cargo, and the submarine commander suspected a submarine trap.

At 0535 the steamer was requested to stop and send over her papers by the captain. The first officer came alongside in the ship's boat, but without papers, and stated that the ship was American and on her way to South Africa. Her cargo consisted of engines, engine parts, automobile parts, and general piece goods. The first officer was then informed that the ship was carrying absolute contraband for a power at war with Germany and must therefore be sunk. The first officer requested half an hour to prepare the boats; this was granted. When requested the captain came alongside at 0815 with the bills of lading. The cargo was definitely established as contraband. The captain accepted the information that the ship must be sunk without raising any objections. Bread, butter, a bottle of brandy, and first-aid material were given to the captain who accepted them with many thanks. When the boats had cast off the crew shouted "Heil Hitler" with raised hands. After the ship had been sunk the upper deck cargo came to the surface and aluminum parts were recognized, which were obviously plane parts.

3. Pursuit of an American battleship in "July" 1941: According

to a report from a submarine at 1307 on 20 June, she had sighted the American battleship TEXAS and a destroyer near the boundary line of the zone of operations at about 53° N, 31° W. The submarine followed them for 150 miles in a northeasterly direction and back again to the boundary line of the zone of operations, The submarine did not attack. According to this report the pursuit must have commenced on 19 June. At this time the submarines within the zone of operations still had permission to attack all warships.

4. SESSA: According to foreign reports the vessel was sunk on 17 August 1941 some 300 miles southwest of Iceland. She was sailing under the Panama flag. Hence she must have been sunk in the zone of operations, and as she was flying the Panama flag she was legitimate prey for submarines. At that time there were German submarines in the sea area in question. No message has yet been received reporting the sinking of the SESSA, however. The submarines in question have not yet returned.

5. STEEL SEAFARER: This vessel was sunk by the Air Force in the Red Sea area of operations. No restrictions for attacks on American vessels have been issued for this area. The Naval Staff has no details of the attack.

Appendix 3 to Annex 1.

Summary of present orders for submarine warfare.
(17 September 1941.)

1. Naval vessels:

a. In the original blockade area, which corresponds to the American declared war zone and is not touched by the sea route U.S.A.-Iceland, offensive action without warning is sanctioned against all naval vessels, unless these are recognized as American before the attack. (Order of 9 August 1941.)

b. In the extended blockade area, including Iceland, and in the remaining sea areas, attack without warning is sanctioned on all warships definitely recognized as enemy; this includes destroyers and corvettes. (Order of 9 August 1941.)

c. Otherwise action is permissible only when the enemy definitely attacks the submarine by using offensive weapons, i.e., depth charges, guns, and torpedoes, and when the situation renders it necessary for the submarine to defend herself in order to shake off continued enemy pursuit (the order was extended due to the GREER incident).

d. This ruling applies also to convoy escort forces.

2. Merchant vessels:

a. Within the entire (extended) blockade area: All merchant vessels may be attacked without warning. Swedish vessels are excepted, in accordance with the special arrangement with Sweden.

U.S. vessels are excepted as follows: Attack without warning is permitted only in the original blockade area, which corresponds to the battle zone declared by the United States. In the area between the original blockade area and the outer limits of the extended blockade area, attacks on U.S. vessels that are identified as such before opening fire are not permitted even when the ships are in convoy.

b. Outside the extended blockade area:

(1) Immediate action is permitted against ships in enemy convoy. (Note in pencil: "Except when recognized as U.S. vessels before the attack.")

(2) Immediate action is permitted against enemy ships sailing alone.

In the case of neutral ships procedure is to follow the prize regulations: The vessel is to be attacked only if radio is used or if she is proceeding without lights.

Exception: U.S., Spanish, and Japanese ships are not to be stopped, captured, or sunk.

3. U.S.A. Neutrality Zone (Pan-American Safety Zone):

No warlike acts are to be carried out in the zone on our own initiative.

Annex 2

Naval Forces Employed in Operation "Beowulf".

Armament:

4 torpedo boats (2nd Torpedo Boat Flotilla)	
8 PT boats (2nd and 3rd PT Boat Flotillas)	
1 tank landing craft (F "3")	2 - 10.5 cm., 2 - 2 cm.
10 mine sweepers	1 or 2 - 10.5 cm. 1 - 3.7 cm., 1 - 2 cm.
6 mine sweepers (steam trawlers)	1 - 7.5 cm., 2 - 2 cm.
6 submarine chasers	1 - 8.8 cm., 2 - 2 cm.
1 motor mine sweeper parent ship (the BROMMY)	2 - 2 cm.
10 motor mine sweepers	1 - 2 cm.
4 small motor mine sweepers (Dutch)	
1 mine detonating vessel with pinnaces	
3 transports (4,000 to 6,000 BRT)*	2 - 2 cm.

Trials Unit Commanded by Rieve:

5 heavy gun carriers	2 - 10.5 cm.
3 light gun carriers	2 with 4 - 2 cm. 1 with 1 - 3.7 cm., 3 - 2 cm.
12 naval barges	1 - 7.5 cm. on wheel mounting

26 Siebel ferries

Group Commanded by Cellarius:

38 fishing boats (Finnish and Estonian)
2 Siebel ferries

Also numerous tugs, pinnaces, and barges with the Rieve and Cellarius groups.

* Used only for decoy operations.

Telegram to the Armed Forces High Command.

Re: The Transport Situation in the Mediterranean.

The Naval Staff agrees entirely with the evaluation of the situation by the German General attached to the Headquarters of the Italian Armed Forces, dated 6 September (Telegram No. 2498/41), showing the increasing deterioration in the sea transport situation and the very grave position in North Africa resulting therefrom, and agrees also with his conclusions. In this matter the Naval Staff again remarks most urgently as follows:

The situation described is untenable. The Italian air and naval forces are incapable of providing adequate escort. The Italian measures provided are quite insufficient and will continue to be so. The Naval Staff considers a total change and utmost acceleration of relief measures urgently necessary if the loss of the entire German-Italian position in North Africa is to be prevented, to say nothing of our own offensive. The loss of the North Africa position would be tantamount to the loss of the entire Mediterranean. The catastrophic effects of this are incalculable, and are of such vital importance to the outcome of the war that all political and military measures in any way possible must be taken at once to improve the transport situation and with it the situation in North Africa. Besides the demands of the German General, the Naval Staff considers it necessary to arrange immediately for the quickest possible transfer of PT boats and motor mine sweepers to the Mediterranean and the return of German air forces to Sicily. The escort of the German and Italian transports to North Africa is a most vital task which must take priority over everything else in the Mediterranean. Even the effect of German air attacks on the Suez area is far less important than the need to protect sea transports, as the main objective must be to reinforce our North African position.

The Naval Staff repeats the conviction already expressed in a memorandum and in numerous consultations: i.e., that maintenance of the North African - and thereby the Mediterranean - position, as well as of the West African position must be regarded as essential for our war activities; in order to win the war as a whole the loss of North and West Africa to Britain and America must be prevented. Therefore we urgently request once more that all political and military measures should be carried out, or should be requested from the Government, so that the gravely endangered Mediterranean situation may be improved as quickly as possible. It is requested that the Fuehrer be informed of the views held by the Naval Staff. If necessary the Commander in Chief, Navy will request a special conference with the Fuehrer.

Naval Staff

Losses in the Mediterranean Area from 1 July to
14 September 1941.

Total losses as a result of sinkings and damage:

In July:	21 steamers and tankers	78,000 BRT
In August:	25 steamers and tankers	84,800 BRT
From 1 to 14 September:	<u>10</u> steamers and tankers	<u>39,500 BRT</u>
	<u>56</u>	<u>202,300 BRT</u>

In addition:

- 1 mine layer of unknown tonnage
- 1 cruiser
- 1 destroyer
- 1 submarine
- 3 gun boats
- 2 coastal patrol vessels
- 6 mine sweepers and motor mine sweepers
- 7 auxiliary sailing vessels and motor fishing vessels
- 78 vessels

Of these the following were sunk:

In July:	8 steamers or tankers totalling	25,400 BRT
In August:	17 steamers or tankers totalling	52,200 BRT
In September to date:	<u>6</u> steamers or tankers totalling	<u>24,500 BRT</u>
	<u>31</u>	<u>102,100 BRT</u>

In addition:

- 1 submarine
- 3 gun boats
- 1 coastal patrol vessel
- 3 mine sweepers and motor mine sweepers
- 6 auxiliary sailing vessels and motor fishing vessels
- 45 vessels

Memorandum

Re: Reaction to Roosevelt's Speech of 11 September 1941.

The following is an addition to the report on the conference between the Commander in Chief, Navy and the Fuehrer on 17 September 1941:

The Fuehrer has agreed with the evaluation of the strategic and political situation created by the Roosevelt speech and on the whole he has concurred with the demands of the Naval Staff. Due to the political situation, the Fuehrer has agreed to an immediate intensification of the orders in force only to the extent that attacks outside and inside the blockade area on both warships and merchant vessels proceeding without lights are to be sanctioned in general. However, since the Fuehrer obviously cannot at present foresee the possible consequences of such a step, and since on the other hand he has stated that it is necessary to avoid incidents in the war on merchant shipping for the time being, the Commander in Chief, Navy has given orders that this permission should not be used and that for the present the previous orders are to remain in force.

Naval Staff, Operations Division

Extract from the Discussion Points for the Conference
of 17 September 1941.

For the Commander in Chief, Navy.

7. The attitude taken by the Armed Forces High Command towards the Navy:

Various inquiries and assertions create the impression that the Navy at present largely serves as the scapegoat and is made to bear the brunt of dissatisfaction in the Armed Forces High Command. If the Naval Staff points out possible developments at an early stage, it is accused of pessimism; if, however, the predictions made after a thorough investigation of the situation later prove to be correct because the suggestions made by the Naval Staff were not followed, the Naval Staff is blamed for the situation.

The Naval Staff must enter a protest against such accusations.

The Naval Staff has always expressed its opinion of a given situation objectively and promptly after critical examination of the actual facts; however, owing to the prevailing lack of understanding of the decisive importance of naval warfare in this struggle against Britain, it has unfortunately not always received the expected confidence. The Naval Staff must protest against being blamed for matters, the difficulties of which it has constantly emphasized or which it is not in a position to carry out because of lack of forces or lack of adequate air support. The war caught the Navy in the midst of building up its fleet forces. This large-scale construction program would have been concluded to a certain degree by 1944. Prior to that date, according to the express declaration of the Fuehrer, war with Britain was to be avoided. The Commander in Chief, Navy left no doubt in all his reports before the outbreak of the war that the Navy's state of preparation would not permit any decisive blows against British naval power, which is superior to us in every respect. In spite of this, the Navy achieved far-reaching successes, which greatly exceeded all expectations. With the small number of forces at its disposal and without an adequate naval air arm, the need for which had been pointed out again and again, the Navy was able to achieve these results and fulfill its great and comprehensive tasks only by using all its forces to the fullest extent, without regard for the critical personnel situation.

In order to clarify existing problems, remove prejudices which obviously exist, and improve the attitude taken by the Armed Forces High Command towards the Navy, a thorough discussion will take place between General Jodl and the Chief of Staff of the Naval Staff.

See Appendixes 1 and 2

Berlin 16 September 1941

Naval Staff

Discussion Points for the Fuehrer Conference.

Re: Telephone call from the Armed Forces High Command.

1. On the evening of 15 September, Lt. Commander Junge communicated the following:

a. Following a visit to the Armed Forces High Command by the Commanding General, Norwegian Theater, General Falkenhorst, General Jodl telephoned Lt. Commander Junge and expressed distinct dissatisfaction because the Armed Forces High Command had not received sufficient information from the Naval Staff regarding the transport situation in northern Norway.

He then stated "that Admiral Fricke is acting as though northern Norway were no longer there" and wanted to know "whether the Commanding Admiral, Norway is really responsible to the Naval Staff or not".

He said that the present transport situation (i.e., only as far as Alta Fjord or Bille Fjord) is not known to the Armed Forces High Command, and an evaluation of this situation by the Naval Staff is necessary in order to come to a decision as to whether all personnel and materiel reinforcements for the Dietl group routed through the Gulf of Bothnia will have to be discontinued.

Lt. Commander Junge pointed out very clearly to General Jodl that surveys of the situation had been submitted continually; General Jodl himself, however, put the marginal note "Covering themselves! I always said so!" on the first one of these evaluations pointing out the difficulties to be expected, and submitted in writing on 11 August.

Then Lt. Commander Junge proceeded to give his own evaluation of the situation, corresponding in every respect to that of the Naval Staff. He also drew attention to the fact that the lengthening nights bring advantages and disadvantages for the enemy as well as for us, so that this factor, in any case, cannot be expected to improve matters. Since Lt. Commander Junge has the impression that General Jodl has not inwardly retracted his accusation, he recommended in the interests of the Navy a suitable, clear, and pointed reply, making reference to the information which Junge gave to the Naval Staff.

b. Regarding the consequences of the Roosevelt speech, General Jodl sent for Lt. Commander Junge after receipt of the memorandum from the Naval Staff, Operations Division, Foreign Affairs Section. General Jodl expressed the view that a geographical line should be drawn and the Americans informed that no action would take place beyond that line, but that on this side they would have

to run all the risks of war.

Lt. Commander Junge opposed this plan of General Jodl's and pointed out the fact that it would be necessary either to move this boundary right up to the American coast, which would provide a good incentive for enemy propaganda, or else to shift the boundary farther east, which would on the one hand entail strategic disadvantages and on the other would be interpreted as yielding to the American threats. He then drew attention to the Naval Staff's proposals and particularly to the necessity that German propaganda handle German measures in the same vague manner in which Roosevelt treated American measures in his speech.

c. Lt. Commander Junge also stated that Jodl and evidently the Fuehrer also were considering using the battleships "for clearing the transport route along the arctic coast". Jodl said to Junge, "Tell the Commander in Chief, Navy that he should get the battleships out of Brest as soon as possible" (implying to northern Norway); the Fuehrer is said to have stated, "If there isn't a change soon, I shall dis-
mantle the ships; then I will at least have them after the war".

Lt. Commander Junge disagreed with General Jodl and drew his attention to the fact that it is always disadvantageous to use the ships defen-
sively; particularly in view of our lack of light forces the enemy can always bring up a superior task force with the help of his home-based aircraft carriers and battleships; this would force our ships, on the defensive, into all-out action. The result could very well be total loss. (See Appendix 2 to Annex 6.)

Lt. Commander Junge believes that the Commander in Chief, Navy himself should discuss this matter with the Fuehrer.

d. Lt. Commander Junge said quite generally that the Navy at present serves largely as the scapegoat and is made to bear the brunt of dissatisfaction in the Armed Forces High Command; when early reference is made to possible developments, the Naval Staff is accused of pessimism, and if its predictions prove later to be correct, the Navy gets the blame.

He proposed that the Chief of Staff of the Naval Staff should discuss the current questions as soon as possible in a lengthy conference with General Jodl; he could thus improve and correct General Jodl's attitude towards the Navy.

Chief of Operations Branch, Naval Staff.

Appendix 2 to Annex 6

Survey of Light Forces as of 16 September 1941

Type of ship	In service	Ready for Action	Group West	Group North				
					Baltic	Com.Adm., Def.North	Com.Adm., Norway	Other use
Destroyers	17	5	2	3	---	---	3	---
Torpedo boats	18	10	---	10	4	---	---	3 Torpedo Inspectorate 3 Com. Adm., Sub
PT boats	47	34	6	28	22	---	6	---
Motor mine sweepers	78	65	37	28	12	4	12	---
Mine sweepers	47 new	40	15	25	15	3	7	---
Auxiliary mine sweepers	349	279	182	97	15	40	42	---
Patrol vessels	219	203	72	131	47	32	52	---
Submarine chasers	38	31	15	16	3	4	9	---

9.

Commander in Chief of the Navy

Report of the Commander in Chief, Navy to the Fuehrer
at Wolfsschanze in the afternoon of 13 November 1941.

Present: Chief of Staff, Armed Forces High Command
General Jodl
Captain von Puttkamer

1. Situation in home waters:

a. Norwegian area: The most important task is that of bringing up supplies and strengthening coastal defenses in the arctic area. Attacks by enemy submarines and planes harass supply traffic; lately the enemy has resorted to mine laying, from which it may be inferred that he no longer intends to take offensive action with surface forces off the fjords. In view of the length of the sea routes, the number of our own defense forces is very limited, taxing them heavily. The air forces at present available can protect normal convoy traffic only when the weather and visibility are favorable. So far, losses of transports have been slight because enemy activity has on the whole been less than expected. The long nights are favorable for convoys, as there is less danger of submarine attack.

In view of the very difficult transport conditions due to the season, coastal defenses can only be installed slowly. It is anticipated that construction of the batteries will be delayed due to weather conditions, the character of the terrain, and labor available. (See Annex 1.)

Submarine operations in the Arctic Ocean:

The arctic night is unfavorable for submarines as it renders it difficult to locate the targets. Winter weather, with blizzards, storms, and fog, has an adverse effect. Air reconnaissance is lacking. It is difficult to attack the ships assembled in Iokanga Bay because of the powerful defenses and the prevailing currents. It is impossible to penetrate the west channel because of navigational difficulties, currents and depths, defenses, and the aerial mine situation. Coastal traffic is carried on with very small vessels, making attack more difficult. In view of our experiences so far and the difficult conditions, the operational possibilities of submarines in the Arctic Ocean should not be overestimated.

At present two submarines are operating; another is en route to the area, and a fourth is homeward bound. Present plans call for three boats to be in the operational area at all times.

b. Baltic Sea: The situation is unchanged. Mine sweeping is of primary importance in view of the extensive supply shipments. Traffic from Tallinn to Finland is proceeding as planned. The supply line for Tallinn is threatened by the enemy, who still occupies the island of Odensholm. Up to ten Russian submarines are still at sea, but have achieved no successes so far, unless it was a submarine torpedo which hit U "144". As winter sets in more and more, the possibility that the ships still able to operate might break through dimin-

ishes. Battleships are still heard in radio traffic, but are no longer able to operate. The cruiser MARTI and some destroyers are evidently still fully capable of operating. A few days ago a Russian group ventured as far as west of the Juminda barrage, where they suffered losses. The purpose of the operation is not known; possibly it was to prepare for the evacuation of Odenholm and Hangoe. We have further reinforced the Juminda barrage. Now that ice is starting to form it is necessary to withdraw PT boats.

c. North Sea: The situation is unchanged.

d. Channel and Western Area: The decided enemy air superiority in the Western Area has made the sea transport situation and the mounting threat to our defense forces more acute. In addition to attacks by planes and motor torpedo boats, the enemy is laying mines on a larger scale. (Recently mine fields were laid again off Boulogne and Lorient.) Utmost demands are made on the materiel and personnel of our inadequate escort forces; the physical and nervous strain on the men is very great. By using all available forces it has so far been possible to escort convoys and keep the routes open despite most difficult conditions. In the Western Area 139 convoys consisting of 542 vessels totalling 1,200,000 BRT were escorted during October. Eighteen planes were shot down during air attacks. Losses include two steamers and one dredger sunk, and sixteen mine sweepers, motor mine sweepers, and patrol boats damaged, some severely. We cannot afford such losses. The construction of motor mine sweepers is urgent for locating and sweeping mines and for anti-aircraft duties. The engine situation is causing difficulties.

There has recently been a sharp increase in air attacks on submarines entering and leaving port on the Atlantic coast.

The only way to relieve the situation at sea is to reinforce the fighter units of the Air Force, an urgently needed step. According to information from the Air Force, this is not possible for the time being.

2. Operations by surface forces:

a. TIRPITZ: It is intended to transfer the TIRPITZ to Trondheim in December as previously planned after she has been made ready for combat. A delay was caused by final repairs and additional installations to fit her for use in the Arctic Ocean.

She will operate off the Norwegian coast as the situation may warrant.

The TIRPITZ cannot be sent into the Atlantic as previously intended because of the general oil situation, the enemy situation, and the need for her presence in the Northern Area.

b. Battleships at Brest: They will be ready for operations in February 1942. Careful review of the situation shows that fairly short operations and movements in the Atlantic are still practicable; there are good chances for success and for strategic effect, especially with regard to the Gibraltar convoys. The main difficulties are: Providing adequate training for the operations; bringing the ships safely in and out of the coastal waters; and assuring replenishment of supplies out in the Atlantic. To break through in the Iceland area is difficult

and dangerous, but it appears feasible if it can be done as a surprise move and under favorable weather conditions. In view of the existing danger of air attacks it is not advisable to keep the ships at Brest after they are ready for combat, even though anti-aircraft defenses have become more effective since the introduction of smoke screens; the mere presence of the ships on the Atlantic coast forces the enemy to give his convoys stronger escort. We will not be able to use Spanish harbors in the near future.

In full consideration of the very difficult oil situation, the Naval Staff has arrived at the following conclusions:

(1) No lengthy operations against merchant vessels are to be undertaken in the Atlantic.

(2) Prior to any operations, the combat readiness of the ships must be fully restored and adequate training provided.

(3) When these conditions have been fulfilled, it can be decided whether the ships should operate off the French Atlantic coast in westerly or southwesterly direction against enemy north-south convoys, or whether steps should be taken to transfer the vessels to home waters or to the Norwegian area. The decision will depend on the enemy situation and the oil situation. The concentration of heavy surface forces in the Northern Area would force the enemy to maintain considerable naval forces in the North Scotland region, and would make it possible to attack sea communications to northern Russia and enemy patrols in the Iceland-Faroes area.

(4) It may be possible to bring the cruiser PRINZ EUGEN through the Channel.

(5) It is proposed to make a final decision in January, as the situation keeps changing constantly: Japan may enter the war; the Spanish attitude may be changed by further successes in Russia.

The Fuehrer agrees. He would like to use the ships for an operation against the Azores if this should become necessary - although at present such action is hardly likely. He inquires what the chances are for a surprise withdrawal of the ships through the Channel.

The Commander in Chief, Navy replies that such a break-through by the PRINZ EUGEN is thought possible, but so far not for the battleships; the matter is to be further studied.

c. Cruiser SCHEER is ready for operations. The Naval Staff requests permission for the ship to leave port in order to carry out cruiser warfare in the Atlantic and the Indian Ocean. While fully realizing the difficulties involved in navigating the Iceland-Faroes Strait on her outward voyage, both the Naval Staff and the Group Commanders recommend that the operation against merchant shipping should be carried out as planned; preparations are under way. The ship should leave port at the end of the week. Particularly in the present situation a powerful ship appearing in remote sea areas, especially the Indian Ocean, should have a very strong strategic effect. It would affect the supplies for the Middle East and the lively British transport traffic in the Indian Ocean; it would tie down British forces, have repercussions in the Mediterranean, and affect the British position in the Indian area.

If we wait for and utilize favorable weather conditions when there is no enemy air reconnaissance in the North Sea and off the coast of Norway, and if submarines and planes assist by making detailed reconnaissance and by reporting weather conditions, there is a very good chance of a successful break-through into the Atlantic. Prospect for the actual raiding operations must be considered good. Hence it is recommended to carry out the operation as planned. The risk of breaking through is great, of course; the ship has orders to turn back immediately if she thinks she has been detected.

As the Fuehrer considers that the possible loss of the ship at present would be a heavy blow to prestige, and that the vital point at present is in the Norwegian Sea, he would rather see the SCHEER transferred to the Norwegian coast, i.e., Narvik or Trondheim.

The Commander in Chief, Navy declares that the SCHEER is at a disadvantage because of her low speed as compared to that of the enemy's fast, powerful ships. Therefore she has to rely to a great extent on the bases.

d. Auxiliary cruisers: In view of the far-reaching effect of operations by auxiliary cruisers, the Naval Staff still believes in using the vessels for warfare outside home waters despite the fact that operations are being made more difficult by enemy countermeasures and able direction of enemy shipping. As long as auxiliary cruisers are successful in sinking and capturing ships, it is justifiable and necessary to use them. This is still the case today as proved by recent gratifying results; among others two prize ships with rubber and other cargo are now en route to Germany.

Situation of Auxiliary Cruisers:

Auxiliary cruiser ship "45" is at present in the North Atlantic. She will return to the Atlantic coast at the end of November.

Ship "16" is at present in the South Atlantic. First of all she will replenish the supplies of our submarines there. She will return at the end of December.

Ship "41" is at present in the Indian Ocean. She will return in Spring 1942.

Plans: Ship "10" will be ready to leave port on 17 November; her area of operations will be the South Atlantic and the Indian Ocean.

Ship "28" will be ready to leave January or February 1942.

Ship "23" will not be ready until February 1942.

Ship "14" will not be ready until Spring 1942.

The ships leave and return through the English Channel.

3. Directives for conduct of surface forces on encountering American forces (see Annex 2):

The aim of these directives is on the one hand to lessen the possibilities of incidents with American forces, and on the other to give the

commanders clear guidance for their conduct when meeting U.S. naval forces; guidance which is in keeping with strategic necessity and which upholds the prestige and honor of the German flag. The directives represent the minimum required by the present naval situation. (Reference is made to the fact that the probability of encountering U.S. forces is very slight in any case, considering the choice of the zones of operation and the mission.)

The Fuehrer approves these directives.

In reply to a question from the Commander in Chief, Navy regarding the Fuehrer's intention in case Congress repeals the Neutrality Law, the Fuehrer stated that he would let the order stand that all merchant ships, including American ones, may be torpedoed without warning in the old blockade area. Further orders will depend on how the situation develops.

4. Merchant shipping overseas as of 13 November 1941:

a. Rubber transport:

(1) Homeward bound: Three ships

	<u>Approx. position on 13 November 1941</u>	<u>Arrival Bordeaux</u>
BURGENLAND	off Bahia	early Dec. 41
ELSA ESSBERGER	in the southeast Pacific	middle of Jan. 1942
SPREEWALD	in the southeast Pacific	end of Jan. 1942

Note: So far two ships carrying rubber have arrived from Japan; two have been lost.

Special remarks: The rubber transport ODENWALD was stopped on 6 November by American naval forces in mid-Atlantic; she was scuttled by her own crew. According to orders the ship was flying the American flag, as this camouflage was the most suitable in view of the situation so far. It has been arranged with the Foreign Minister, that in view of this fact no official protest shall be lodged with the U.S.A. The Naval Staff has ordered other camouflage immediately for the ships in the sea area in question.

(2) Outward bound:

	<u>Approx. position on 13 November 1941</u>	<u>Arriving in Japan</u>
RIO GRANDE	Pacific, near the Cook Islands	early December 1941
PORTLAND	Atlantic, off Rio	middle of Jan- uary 1942

b. Plans:

(1) The following will leave Japan for Bordeaux:

1 ship in November 1941

1 ship in December 1941

2 ships in January 1942

In addition two Italian ships under Italian command will leave with a cargo for Germany and Italy.

The length of the voyage will be two to three months in each case.

(2) One ship will leave Bordeaux for Japan in January 1942.

5. Submarine warfare:

See Annex 3 for submarine disposition.

Submarine warfare on British imports in the Atlantic will be greatly reduced for a time after the boats now at sea have completed their missions, as tasks in the Arctic Ocean and the Mediterranean Sea are more urgent. The Naval Staff is endeavoring to commit all remaining boats wholly for war on merchant shipping. Forces are tied down, however, by urgent escort and defense assignments in connection with returning prizes and blockade-runners. In addition there are delays in carrying out repairs because of labor shortage, so that returning boats need a very long time before they are ready for operations once more. Thus it is inevitable that fewer ships will be sunk, and the enemy supply lines are thus relieved.

At present all submarines in the Eastern Mediterranean are at Salamis and are in need of repair. Necessary overhaul is being delayed and made more difficult because the shipyards, repair facilities, and labor are inadequate. (One boat is now ready for operations.) No additional boats can be assigned to the Eastern Mediterranean until the base at Salamis has been appropriately prepared. La Spezia will be the main supply base for boats in the Western Mediterranean. Also Palermo and Maddalena can be used as emergency operational harbors.

The necessary steps have been taken to build up the submarine base at La Spezia.

Four boats have either passed Gibraltar or are getting ready to break through.

Plan: Later all Mediterranean submarines are to come under the German Admiral in Rome. An operational control organization is now being set up.

6. Conduct of the war in the Mediterranean:

As feared by the Naval Staff since July, the situation regarding transports to North Africa has grown progressively worse, and has now reached the critical stage. It is pointed out that the Naval Staff has always fully recognized the dangerous situation caused by British

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naval superiority in the Mediterranean, and constantly emphasized the need for speedy introduction of the proper German measures. (This point was raised in a personal conversation.)

Today the enemy has complete naval and air supremacy in the area of the German transport routes; he is operating totally undisturbed in all parts of the Mediterranean. Malta is constantly being reinforced. Patrols in the Strait of Gibraltar have been intensified, evidently as the result of German submarine operations. The Italians are not able to bring about any major improvements in the situation, due to the oil situation and to their own operational and tactical impotence. (When the British attacked the 51st Transport Squadron during the night of 8 November with only two light cruisers and two destroyers 140 miles east of Sicily, the enemy was not driven off and destroyed, in spite of an escort of six destroyers and the presence of two heavy Italian cruisers and another four destroyers; these were evidently too far off at the decisive moment.)

The Naval Staff is deliberating what additional steps might be taken to aid the Italians immediately, such as sending them officers.

Recently the transport situation in the Aegean Sea has also greatly deteriorated. Enemy submarines definitely have the upper hand. German and Italian naval and air forces for patrol and escort duties and for planned anti-submarine measures are inadequate both in numbers and equipment, especially for the additional transport of men on leave, which is evidently considerable. There are constant shipping losses. The number of British submarines must be expected to increase, and thus the situation will become even more critical.

The Fuehrer wants to have ships of about 1,000 BRT with a speed of 15 to 16 knots built in mass production in the Black Sea and Danube harbors, to be used as transports in the Mediterranean. They should be able to carry three to four heavy vehicles with personnel. These transports would proceed by day with adequate air cover; at night they could anchor behind nets in intermediate harbors or islands. In this way the risk would be divided.

The Commander in Chief, Navy reports on construction of merchant ships in Italy, Germany, and the occupied territories; merchant ships are needed everywhere because of the large amount of convoy traffic and the losses incurred. Collapse of our convoy traffic would be disastrous for the outcome of the war. There is a shortage of iron everywhere. The Ministry of Transportation cannot procure any; despite strong recommendations by the Naval High Command, allocation has not been granted. This transport program must have priority equal to the Army's transport program, which is also very important.

The Fuehrer acknowledges this and instructed the Armed Forces High Command accordingly; he is also of the opinion that a certain amount of iron should be obtainable in the occupied Russian area in shipyards and ironworks. He recommends that an industrial expert should be appointed to examine the whole matter.

The Commander in Chief, Navy will have this done. He reports on the possibility of building PT boats and motor mine sweepers also in the Black Sea area. Shipyards are available, but they use only iron, hence the speed of the vessels is several knots less; this is not important,

however. Iron and above all engines are needed; engines for PT boats and motor mine sweepers are already very scarce.

The question of transferring some PT boats to the Black Sea will be examined once more.

The Fuehrer sanctions a meeting between the Commander in Chief, Navy and Admiral Riccardi to discuss the problems connected with warfare in the Mediterranean.

7. The state of armament production for the Navy, and the labor situation: (See Annexes 4 and 5).

Due to the escort and patrol tasks which are far in excess of the Navy's capacity, the strain on its forces has almost reached the breaking point. In view of the growing importance of the Navy on all fronts, including the Mediterranean and Black Sea, it is essential to give the Navy an opportunity to build up considerably larger forces of men and material as soon as the situation in the east permits. Submarine repairs must be speeded up, PT boat and motor mine sweeper construction must be increased, engines must be made available, and damaged escort vessels must be repaired.

The question of shipyard workers for submarine overhaul is especially pressing, as there are constant long delays in construction and repairs. It is urgently necessary that a special quota of German skilled workers be allocated to the Navy in addition to the foreign workers; at least 20,000 should be provided at once to relieve the most pressing need. It is requested that instructions be given to Minister Dr. Todt.

The Fuehrer is aware of the Navy's critical position.

8. Oil situation: (See Annex 6).

9. Continued construction of the aircraft carrier:

The Naval Staff still attaches great importance to continuing construction of the aircraft carrier. The first essential, however, is that the workers needed to finish the work and the planes required for carrier operations should be provided. The development of carrier planes would tie up considerable production facilities and involve great expense. The time factor involved with regard to the development of the new planes is extremely unsatisfactory. According to a report from the Air Force, the new types of planes cannot be expected before the end of 1944 even under the most favorable circumstances. The planes formerly intended for carriers are available only in very small numbers. It is not possible to continue producing them now or later. The decision to develop a new type of carrier plane would create complications for the Air Force, basically affecting its entire program.

In view of the effects on the Air Force program the Naval Staff thinks that their demands for continuing work on the aircraft carrier will have to depend on whether the Fuehrer decides to make available the necessary manpower for the shipyards and to tolerate certain disadvantages for the current air armament program.

The Fuehrer wants work on the aircraft carrier to be continued; he feels sure that the Air Force will be able to help out with adapted planes at first.

10. The Commander in Chief, Navy reports on the special ships designed by Engelmann and Walter. (See Annexes 7, 8, and 9.)

11. In a private talk the Commander in Chief, Navy reports on the importance and prospects of mine warfare.

He also recommends the posthumous award of the Oakleaf Cluster of the Knight's Cross to Captain Krueder, the commander of the auxiliary cruiser PINGUIN, for outstanding services in cruiser warfare.

The Fuehrer agrees.

signed: Raeder

countersigned: Assmann

Coastal Guns.

1. Northern Norway:

a. With reference to difficulties in construction during the present season, see the communication from the Commanding Admiral, Norway, 3508/41 Gkdos. dated 25 October 1941; a copy was sent to Commander Junge so that he can inform the Fuehrer and the Chief of Staff, Armed Forces High Command when the opportunity arises.

b. Guns to be added to the coastal defenses already provided:

(1) Three 28 cm. guns, formerly intended for operation "Felix", are to be sent to Vadsø (Kiberg).

(2) Four 24 cm. guns, from the "Skagerrak" battery on Sylt, are to be sent to Kirkenes.

(3) Four 15 cm. guns, formerly intended for operation "Felix", are to be sent to Petsamo.

c. Steps to be taken in connection with "b":

After considerable initial difficulties in obtaining a construction battalion from the Army, as the result of a conference the Commanding General, Armed Forces, Norway was finally commissioned by the Armed Forces High Command with carrying out the work according to instructions from the Navy. He will use construction squads already in his area. In addition the Navy is furnishing one of its own construction companies from the North Sea area: Company 2 of Construction Battalion 323.

The advance detachment of this company, composed of one officer and twenty four petty officers and men, has already left via the Oulu-Petsamo land route. The remainder of the company, i.e., four officers and 250 petty officers and men, will leave Kiel about 15 November for Oulu, from there to follow the land route to Petsamo. At about the same time the steamer KORITYBA will leave Kiel and proceed to Petsamo by sea with barracks, building materials, foundation sections, etc. The guns, special vehicles, ammunition, etc., will go by rail as far as Mosjøen or Trondheim and thence by ship to Petsamo or Kirkenes at a date to be fixed later according to the state of construction. The battery crews will be sent last of all via the Oulu-Petsamo route shortly before the batteries are ready for use.

2. Western Norway:

Guns to be added to the coastal defenses already provided:

a. Four 17 cm. guns, from the "Yorck" battery in Pillau, are to be sent to Honigsvaag (North Cape).

b. Three 17 cm. guns, from the "Von der Goeben" battery in Pillau, are to be sent to Harstad.

c. Four 15 cm. guns, from the "Brommy" battery in Memel, are to be sent to Arnoe (Tromsøe).

d. Four 24 cm. railway guns (captured French) are to be sent to Narvik, to relieve two 28 cm. railway guns belonging to the Army.

Remarks on "a" to "c": The batteries are being dismantled at their previous locations; transport facilities are being prepared.

Remark on "d": The guns have not yet been put in order.

3. Southern Norway:

The first gun of the "Kroodden" battery at Christiansand-South, is being mounted; the second gun is also to be set up during the winter. Later the battery is to have four instead of two 38 cm. guns.

4. The Channel coast including the Channel Islands:

Guns to be added to the coastal defenses already provided:

a. Three 40.6 cm. guns, from the "Schleswig-Holstein" battery at Hela, are to be sent to Calais.

b. Four 30.5 cm. guns, formerly intended for operation "Felix", are to be sent to Guernsey.

c. One heavy battery for the northwest tip of Normandy and one for the northeast tip of Brittany have been requested from the Army; after the Black Sea operations are completed the "Tirpitz" battery, with three 28 cm. guns, is to be transferred from Constanta to the northeast tip of Brittany to release one of the two Army batteries.

Remarks on "a" and "b": The preliminary work for dismantling has been commenced and construction begun.

Remark on "c": The Army has not yet replied.

5. Western France:

Guns to be added to the coastal defenses already provided:

a. Three 15 cm. guns, from the "Oxhoeft" battery in Gdynia, are to be sent to Brest.

b. Four 34 cm. railway guns (captured French) are to be sent to St. Nazaire, in exchange for the two 24 cm. railway guns there at present.

c. Four 24 cm. railway guns (captured French) are to be sent to Lorient.

Remarks on "a": Dismantling has been started.

Remarks on "b" and "c": The battery positions are being prepared.

6. Atlantic Islands:

Four medium batteries have been set up on Tenerife and Grand Canary with

the assistance of a small German construction detachment and are ready to fire. (One battery of three 17 cm. guns and one battery of three 15 cm. guns were installed on each of the two islands.) Our offer of a training detachment with one officer for each island was not accepted by Spain for reasons of prestige; hence at the request of the Naval Attache, Madrid, the detachments were not furnished "because of our own urgent need".

Directives for conduct of surface forces when encountering American naval forces.

1. Use of arms against American naval and air forces:

Engagements with American naval or air forces are not to be sought deliberately; they are to be avoided as far as possible. Efforts to avoid incidents are to be abandoned, however, as soon as the American forces, endanger our naval forces or other ships under our control, as supply ships or prizes, by shadowing them, for instance. In such a case the commander has the right to resort to arms in self-defense, and it is then his duty to be sure he is not too late in using his weapons. He is to try to destroy the enemy.

Examples: Whether and to what extent the cruiser must make use of this right to use arms depends on what kind of U.S. naval forces are encountered and on the tactical and operational situation. It is not possible to foresee every possible situation and to lay down inflexible rules:

a. As soon as a U.S. warship or plane begins to use its weapons, full use of weapons is naturally sanctioned in every case; action is to be taken according to the tactical situation.

b. Encounter with a plane: Weapons must be used as soon as the plane is within anti-aircraft range and approaches the ship in such a way that it could attack, or if it shadows the ship. The need for prompt use of weapons is emphasized by the facts that the British use the same types of aircraft as the Americans, and that it is not generally possible to identify the nationality at once.

c. Encounter with a slow warship, as a submarine, gunboat, or auxiliary vessel: By reason of her superior speed the cruiser will be able to elude the encountered vessel promptly.

d. Encounter with a faster, possibly superior naval vessel, i.e., an aircraft carrier or destroyer: If the operational situation permits, the cruiser can try to shake off the enemy by utilizing her high continuous speed, poor visibility, or darkness. If she does not succeed in ridding herself of the enemy in this way, or if the situation does not permit any such attempt, while at the same time the enemy is evidently trying to maintain contact, she must resort to use of weapons. A short, if possible visual signal to the enemy may be expedient, asking him for example his course or port of destination or requesting him not to shadow the cruiser; but the cruiser is not obliged to do this.

The Fuehrer states that if an American warship tries to stop an auxiliary cruiser in order to search her, the latter can assume that the occasion warrants action in self-defense (e.g., a surprise torpedo fired when a prize crew comes on board).

e. Sudden encounter at night, or during poor visibility or fog: In general it will not be possible to identify the nationality promptly when suddenly encountering a warship sailing without lights at night.

If it is known or can be assumed from the situation that it is a U.S. warship, the German vessel must attempt to withdraw. However, in case of sudden danger where it is impossible to withdraw, the commander has the right and the duty to use his weapons instantly in self-defense to ward off immediate danger.

If there are no definite grounds for assuming that the ship is American, procedure is to be as though she were a British warship.

In fog and poor visibility the ships are to conduct themselves accordingly.

f. Enemy use of radio: The mere use of radio by American forces is not sufficient grounds for attack, unless the situation is such that the safety of our ship is endangered by such use.

g. Convoys escorted by U.S. forces: If it is observed before a convoy is attacked that it is being escorted by American forces, the attack is not to be carried out. If the fact that the escort of the convoy is composed of American forces is not noticed until after the cruiser has attacked the convoy, the action need not be broken off for this reason alone.

2. Treatment of the crews of American forces:

Survivors are to be picked up only if this is possible without endangering our own ship. Survivors are to be treated as prisoners of war.

Disposition of Submarines as of 10 November 1941.

1. Total: 220 boats have been commissioned. Eighty four of these are operational boats, fifty five training boats, and seventy nine are undergoing trials.

2. Of the operational boats fifty seven are at sea.

These are distributed as follows:

a. North Atlantic: Thirty eight; of these, twenty two are in the zone of operations (Greenland area eight; northeast of the Azores nine; Iceland area three; Newfoundland area two). Three are outward bound, and thirteen are returning home.

b. South Atlantic: Five, one of them outward bound.

c. Arctic coast: Four

d. Eastern Mediterranean: Six (at present these are at Salamis for overhauling.) One boat is ready for operations.

e. En route to the Western Mediterranean: Four; one of these boats is off Gibraltar on 10 November; one boat is to be at the Strait of Gibraltar on 12 November; two outward-bound boats are off Cape Finisterre.

The remaining boats needed to bring the total up to nine in the Eastern and to twelve in the Western Mediterranean according to present plans, will follow as they become ready for operations.

On 10 November 27 of the operational boats were in port as follows:

Five at Kiel

Ten at Lorient

Seven at St. Nazaire

Five at Brest

3. Losses up to 10 November: Fifty one.

Labor for Naval Production.

The labor situation for the Navy has steadily deteriorated. The allocations of workers, which to be sure had fallen off during the summer but still provided a monthly increase in personnel of several thousand men, have steadily decreased, so that according to data from the Armed Forces High Command the personnel decreased by 7,000 in September. (10,000 men, mainly foreign workers, were allocated, while 17,000 men left.)

On the other hand the Navy requires the following additional labor (these figures have been submitted to the Armed Forces High Command and to the Minister of Munitions):

	Immediate require- ments	Further require- ments up to 31 Dec. 41	Further require- ments to com- plete project	Total
Shipyards	18,800	7,400	6,800	33,000
Most important armament works	8,300	2,800	2,400	13,500
Remaining arma- ment works (sta- tistics compiled by the Armed Forces High Command)	31,900	6,800	6,300	45,000
	59,000	17,000	15,500	91,500
	<u>76,000</u>			

The decrease in personnel is felt even more because the allocations consist largely of foreign workers and prisoners of war. Prospects for improvement are considered everywhere to be very unfavorable (by the Minister of Munition, the Minister of Labor, and the Armed Forces High Command). There are constant new drains on labor through special orders and special levies, which affect severely the most vital naval war production and are very difficult to eliminate.

Special measures must be undertaken to make up the shortage of manpower in naval production; these should be similar to the measures put into effect for the Air Force, or to the special directives covering other types of production. The Navy has adjusted itself to covering the shortage to a large extent by using foreign workers and prisoners of war, including a large proportion of Russian prisoners. Despite this, it is absolutely essential that half the shortage (45,000) as well as all losses of German workers due to natural causes should be made good with German workers.

Annex 5

Raw Materials for Naval Production.

Given in tons per month.

	Iron	Copper	Aluminum	Lead	Tin	Chrome	Rubber
<u>4th quarter 1941</u> (including structural steel)							
Requirement	322,218	9,627.6	5,283.3	6,686.0	555.0	593.0	650.0
Allocation	185,000	4,900.0	2,420.0	3,800.0	250.0	450.0	450.0
<u>1st quarter 1942</u> (without structural steel)							
Reported requirement	308,000	9,033.0	5,530.0	7,210.0	554.0	550.0	713.5
Estimated requirement	287,673	7,997.1	4,907.5	5,990.0	484.9	539.7	646.5
Expected allocation	170,000	3,300.0	3,000.0	3,200.0	200.0	450.0	500.0
<u>From Estimated Requirement</u>							
a. Submarine construction including armament but without ammunition and torpedoes	45,044	2,264.0	653.9	2,319.7	105.2	99.1	338.8
b. Submarine repairs	1,100	23.0	17.0	23.0	3.0	2.0	3.0
c. Torpedoes including practice heads and spare parts but exclusive of aerial torpedoes	5,769	719.7	277.3	852.5	105.8	125.2	0.9

	Iron	Copper	Aluminum	Lead	Tin	Chrome	Rubber
d. Ammunition for submarine guns including container	2,073	25.1	170.1	2.8	0.6	1.4	1.5
Totals a to d	53,986	3,031.8	1,118.3	3,198.0	214.6	227.7	344.2

New tasks have not been allowed for. (Transports to Northern Norway and the Canary Islands; construction and repair of merchant vessels.)

Annex 6

Consumption of Fuel Oil.

<u>Group I</u>	<u>November</u>	<u>December</u>	<u>January</u>
a. Entire submarine service including escort vessels and recovery vessels.	12,000 tons	12,000 tons	12,000 tons
b. Vessels belonging to mine sweeping and escort formations, and motor mine sweepers Type 35	10,000 tons	10,000 tons	10,000 tons
c. Italian convoy forces in the Aegean Sea	3,000 tons	3,000 tons	3,000 tons
d. Auxiliary cruisers	<u>2,000 tons</u>	<u>2,000 tons</u>	<u>2,000 tons</u>
	27,000 tons	27,000 tons	27,000 tons

Group II

a. Destroyers on operations	15,000 tons	18,000 tons	18,000 tons
b. Torpedo boats on operations	<u>10,000 tons</u>	<u>12,000 tons</u>	<u>12,000 tons</u>
	25,000 tons	30,000 tons	30,000 tons

Group III

Nucleus fleet (including training of cruisers)	10,000 tons	20,000 tons	30,000 tons
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Group IV

a. Shipyards and testing purposes	3,000 tons	3,000 tons	3,000 tons
b. Supply ships	<u>1,500 tons</u>	<u>1,500 tons</u>	<u>1,500 tons</u>
	4,500 tons	4,500 tons	4,500 tons

Summary

Group I	27,000 tons	27,000 tons	27,000 tons
Group II	25,000 tons	30,000 tons	30,000 tons
Group III	10,000 tons	20,000 tons	30,000 tons
Group IV	<u>4,500 tons</u>	<u>4,500 tons</u>	<u>4,500 tons</u>
	<u>66,500 tons</u>	<u>81,500 tons</u>	<u>91,500 tons</u>

	<u>November</u>	<u>December</u>	<u>January</u>
To be provided for supplying northern Norway	<u>23,500 tons</u>	<u>18,500 tons</u>	<u>8,500 tons</u>
	<u>90,000 tons</u>	<u>100,000 tons</u>	<u>100,000 tons</u>

Fuel and Diesel oil situation in the German and Italian Navies.

1. Fuel oil:

The total stock of the German Navy is 380,000 tons, distributed in 70 bases as shown in the attached chart. Of this about 220,000 tons are ready for use; the remainder must be thinned, mainly by the addition of lignite fuel oil (monthly output 12,000 tons) and Rumanian fuel oil.

The total stock of the Italian Navy is 30,000 tons at 30 bases.

total: 410,000 tons

Requirements in November: 90,000 tons

Monthly requirements of German Navy: 100,000 tons from December on

Monthly requirements of Italian Navy: 100,000 tons

Total monthly requirements: 200,000 tons

Additional monthly supplies for the German Navy beginning 1 November:

a. German home production: 50,000 tons

b. Rumanian imports 7,000 tons

c. Rumanian imports for the
Italian Navy: 27,000 tons

Total monthly supplies: 84,000 tons

Hence the shortage in November is 116,000 tons.

In view of the decision of the Chief of Staff, Armed Forces High Command with regard to handing over another 30,000 tons of fuel oil to the Italian Navy, the following steps have been taken:

a. 10,000 tons of fuel oil have been ordered transferred from the Gdynia area to La Spezia.

b. 20,000 tons of fuel oil have been ordered transferred from the area of western France to La Spezia.

2. Diesel oil:

No requests for Diesel oil have been received from the Italian Navy.

Available stock of the German Navy 106,000 tons, at 70 bases

Imports in November 45,000 tons

Imports from December on 40,000 tons

With a monthly consumption of about 14,000 tons for submarines, which will rise to 20,000 tons by January and then continue to increase by 2,000 tons each month, requirements of Diesel oil can at present be covered by imports. Additional requirements for surface forces and supply vessels amount to the following:

25,000 tons in November

15,000 tons in December

15,000 tons in January

Distribution of Stocks of Fuel According to Commands.

Command	Num- ber of Bases	Fuel Oil			Diesel Oil		
		Ready for use	Not Ready for use	Total	Navy grade	Commer- cial grade	Total
Denmark	6	7,186	-	7,186	3,272	21	3,293
Holland	6	11,061	9,262	20,323	1,302	-	1,302
Belgium	4	7,362	7,044	14,406	2,324	-	2,324
France	18	84,438	59,266	143,704	19,063	5,585	24,648
Norway	11	28,928	-	28,928	18,737	1,785	20,522
Eastern Baltic	6	14,596	38,697	53,293	14,850	2,012	16,862
Total	51	153,571	114,269	267,840	59,548	9,403	68,951
Plus Greece	7	12,863	-	12,863	6,020	-	6,020
Total	58	166,434	114,269	280,703	65,568	9,403	74,971
North and East	12	53,000	46,297	99,297	24,229	6,800	31,029

State of Experiments with the Engelmann Ship.

Engelmann's ship was primarily intended as an exceptionally fast mail and dispatch vessel to ply between Europe and America.

The average speed required for this purpose was to be achieved mainly by the fact that she would be able to maintain her speed even in heavy seas.

Towing trials also resulted in a very satisfactory graph of the speeds that could be reached with the special semi-submerged form of the vessel.

The first experiments with a small boat indicated that the theoretical possibilities were practicable.

A vessel was therefore constructed weighing not quite 300 tons with four PT boat Diesel engines. Allowance was made in weight but not in space for the installation of torpedo equipment because M A N Diesel engines (Maschinenfabrik Augsburg - Nuernberg) which were available had to be used.

The following questions were to be clarified with the experimental vessel:

1. Can the favorable results attained in the trials be duplicated in actual practice?
2. Is the speed really unaffected by heavy seas?
3. Are the misgivings concerning the longitudinal stability because of the small freeboard justified?

So far, experiments have shown that good results may be expected on all points. It will soon be possible to finish the tests.

At higher speeds, however, the following became evident:

As the vessel has only one screw and no structural stability because of the almost complete absence of freeboard, the torque of the screw causes a list, which at higher revolutions may amount to 13 degrees. As the rudders then begin to act as hydroplanes, the highest speed possible has not yet been reached. So far, approximately 28 knots is the highest speed attained.

However, from the results with the test craft it can be assumed that a boat with two screws would fulfill the requirements and at the same time the list would be reduced. The turning circle of the test boat is too large.

Presumably it will be possible to arrive at a PT boat capable of operating in stormy weather if the vessel is enlarged by about 100 tons. There seem to be no other possibilities for employing this type of vessel in the naval building program. Engelmann considers that a 4,000 ton type would be successful as a blockade-running merchantman.

Special characteristics and results achieved with
"V 80".

1. This is a submarine with a single engine for both surface and underwater travel and with exceptionally high submerged speed.
2. The hull is streamlined to the greatest possible degree.
3. The vessel is steered by a joy stick similar to that of a plane.
4. By utilizing dynamic forces, the submarine can travel both submerged and surfaced without perfect trim (except at very low speeds).
5. Performance submerged:

	<u>achieved:</u>	<u>desired:</u>
Estimated speed	23 knots (probably more)	28 knots
Screw revolutions	885 per minute	1,000 per minute
Power	1,500 HP	2,000 HP

6. Sea-going characteristics:

The boat is steady in rough seas, and does not dip. She is easily steered when submerged and responds very quickly.

Special characteristics of "V 300" (as planned).

1. This is a submarine built generally on the principle of existing boats, but with a special propulsion unit for high submerged speed.

a. This consists of two turbines totalling 4,000 HP which do not leave a bubble track.

b. Electric motors are also provided for crawling.

c. The propulsion unit for surface cruising consists of two Diesel engines totalling 600 HP.

2. Joy stick, dynamic diving and surfacing, and sea-going characteristics are the same as in "V 80".

3. The bridge is enclosed with plexiglas to achieve the fullest possible streamlining.

4. Estimated performance:

a. submerged:

Speed	19 knots
Endurance at maximum speed	19 knots for 205 miles
Endurance at cruising speed	10 knots for 450 miles

b. surfaced: 9.3 knots for 3,500 miles.

12 December 1941

Commander in Chief of the Navy

Report of the Commander in Chief, Navy to the Fuehrer
in Berlin on 12 December 1941.

Present: Chief of Staff, Armed Forces High Command
General Jodl
Captain von Puttkamer

1. General situation.

The situation in the Atlantic will be eased by Japan's successful intervention. Reports have already been received of the transfer of some battleships from the Atlantic to the Pacific. It is certain that light forces, especially destroyers, will be required in increased numbers in the Pacific. The need for transport ships will be very great, so that a withdrawal of American merchant vessels from the Atlantic can be expected; the strain on British merchant shipping will increase. This calls for intensified submarine warfare on the British supplies. Likewise the situation with regard to surface warfare by auxiliary cruisers and armored cruisers will probably change in our favor. Stationing the SCHARNHORST and GNEISENAU in the Atlantic is a step in the right direction; the situation could be improved considerably if Dakar were available as a base, and for this reason the Naval Staff now, as always, is in favor of consolidating the French position in north-west Africa. The danger of major operations against the west coast will also decrease for the present, so that it will be possible to slow up reinforcement of the defenses along the west coast; in view of the scarcity of material, transport facilities, gasoline, etc., such a respite would be very welcome.

The Fuehrer does not wish to postpone the speedy reinforcement of the fortifications, especially as he does not feel that a great deal of material will be required.

Questions put by the Fuehrer:

a. Does the Commander in Chief, Navy believe that the enemy will in the near future take steps to occupy the Azores, the Cape Verdes, and perhaps even to attack Dakar, in order to win back prestige lost as the result of the setbacks in the Pacific?

b. Is there any possibility that the U.S.A. and Britain will abandon East Asia for a time in order to crush Germany and Italy first?

As regards "a", the Commander in Chief, Navy does not believe that such steps are imminent. The U.S. will have to concentrate all her strength in the Pacific during the next few months. Britain will not want to run any great risks after her severe losses of big ships. It is hardly likely that transport tonnage is available for such occupation tasks or for bringing up supplies. However, a firm consolidation of Dakar is desirable for the reasons given above.

As regards "b", it is improbable that the enemy will give up East Asia even temporarily; by so doing Britain would endanger India very seriously, and the U.S. cannot withdraw her fleet from the Pacific as long as the Japanese fleet has the upper hand.

2. Submarine warfare.

A report is made on the disposition of the submarines with the help of a map. (Not included.)

At present thirty six submarines are in or en route to the Mediterranean. It is proposed to station fifty submarines in the Mediterranean: Twenty in the eastern area, and thirty in the western and Gibraltar areas.

This leaves thirty six boats at present, three of which are in northern Norway, and five in the south; the latter are transporting the crew of ship "16".

Six large submarines are to proceed as quickly as possible to the east coast of America.

In January there will be a large increase in the number of submarines. Up to now there have been long delays due to shortage of labor, the Eastern Campaign, etc.

New orders for the conduct of submarine warfare have been issued in accordance with instructions.

3. Transport of submarines to the Black Sea. (See Annexes 1 and 2.)

Ten months are necessary to transfer boats weighing 250 tons.

The Fuehrer therefore gives up the idea of such transfers; he inquires whether it is possible to transfer PT boats.

The Commander in Chief, Navy states that this is possible, but he requests that for the time being only the boats intended for delivery to Rumania and Bulgaria should be transferred, as the new German boats are urgently needed in the Channel. If necessary, the question can be re-opened in the spring.

The Fuehrer agrees.

4. Shipping space in the Mediterranean. (See Annex 3.)

The order given to the Commander in Chief, Navy at the last conference for the speedy construction of transport vessels of about 1,000 tons each in Black Sea and Italian shipyards is being carried out with the utmost dispatch. Plans have been drawn up for forty ships of 1,200 tons each; engines have been provided from mine sweeper stocks. For the present, eight building slips are available in Italy. Detailed plans are being drawn up at a German shipyard so that production of the plates can commence as soon as the material and the quota permits are available. This is the only cause for delay.

The Fuehrer instructs the Chief of Staff, Armed Forces High Command to adjust this matter.

Work cannot be recommenced at Nikolayev until oil and coal supplies can be brought up. Iron is available there; probably the plates can be rolled there to the necessary degree of thickness.

5. Oil situation. (See Annex 4.)

The situation is very critical. The Navy's requirements have been cut by fifty per cent; this has caused an intolerable restriction on the mobility of our vessels. By 1 January 1942, 90,000 tons will have been handed over to the Italians. Supplies by inland routes are inadequate. Rumanian exports to us and to Italy have ceased entirely. The reason is incorrect financial treatment of Rumania, who is demanding gold from us to back her currency.

The Fuehrer states that the Minister of Economics will give the gold to Rumania as demanded, and discusses other measures to improve the Rumanian situation. He recommends limiting the personnel of our supply organizations there to the utmost. Once the gold has been paid we can rely on renewed supplies of oil from Rumania.

6. Through the Commanding Admiral, France, Admiral Darlan has offered to give the German Navy information which he possesses concerning the disposition of British naval forces due to his knowledge of British intelligence methods in the past.

The Fuehrer sanctions the exchange of intelligence on the British Navy between Admiral Darlan and the German naval office.

7. In private conference.

The Commander in Chief, Navy requests and obtains permission for a talk with Admiral Darlan, who has suggested such a talk both through Ambassador Abetz and Admiral Schultze.

The Fuehrer agrees very readily and explains his views on relations with France.

signed: Raeder

Investigation by the Technical Branch of the Submarine Division of the Naval Staff on 5 December 1941 concerning the transfer of submarines to the Black Sea.

1. Transfer overland and down the Danube River.

The transfer of submarines overland and then down the Danube River is out of the question. It would be feasible only with boats up to Type IIB, and even then a great loss of time would be involved as the boats would have to be taken apart to a large extent: The conning tower would have to be removed, and all heavy parts, especially the engine installation and battery, would have to be dismantled. This question was exhaustively studied some months ago. The findings were so unfavorable that the plan had to be abandoned.

2. Transfer of boats of Type IID via the Atlantic and Mediterranean, taking into consideration the need for underwater towing through the Dardanelles and the Bosphorus.

a. If refueled in Norway, western France, and Italy, the boats can proceed under their own power as far as Greece.

b. Opinion on underwater towing: Type IID boats are equipped with a towing hook. This can be slipped both from the bridge and from the inside of the conning tower.

Communication with the tug towing the submerged boat is provided only by sonic telegraphy. This means of communication is not considered suitable, however, as it can be heard too far away. So far, underwater towing experiments have been carried out only with Type IIB and IIC boats. These tests showed that towing is possible. Some of the essential conditions are as follows:

(1) Towing speed must not become too high or depth-keeping devices cannot be controlled. The maximum speed should probably not exceed 6 to 7 knots.

(2) The most suitable speed for diving is 4 knots.

(3) The tug must be capable of 11 to 12 knots when not towing the submarine, as the loss in speed is great, amounting to 3 to 4 knots.

(4) The submarine must continue to make use of periscope and steering gear.

(5) The towing cable must be about 200 meters long and 8 centimeters thick.

It is necessary for boats that are to undertake such an operation to participate in towing maneuvers beforehand, as it is difficult to manage the submarine under such conditions.

c. Evaluation of the navigational conditions: Information available on navigational and weather conditions indicate that it is not advisable to attempt to tow submerged submarines through the Dardanelles and the Bosphorus. In addition, the tug would have difficulties navigat-

ing the buoyed channel, which is often not reliably marked, particularly since the currents on the surface and at different depths may vary greatly.

It must also be assumed that the tug will be required to take on a pilot. The vessel might have to stop while the pilot is taken aboard; in such an event the submarine would not be able to maintain her depth. Quite apart from this, it can hardly be assumed that the ship in tow would not be detected; the towing cable would be seen.

When the tug tries to avoid other vessels or when other vessels cross its wake, the submarine may be seriously endangered.

No opinion can be ventured by this office as to the effect of barrages or patrols in the approaches to the straits or in the straits themselves.

In summary, it must be reported that the operation cannot be recommended, especially considering the difficult navigational conditions, unless complete agreement has been reached with the Turks, and the measures described are taken merely in an attempt to hide the undertaking as far as possible from the world at large.

d. If submarines of Type IID are withdrawn from the training flotillas, Type VII submarines meant for operational use would have to take their place.

signed: Lange

Transfer of Submarines Overland to the Black Sea.

Investigation has produced the following information:

1. Only boats of Types IIa and IIb can be transported, as their weight still amounts to about 140 tons after the engines have been dismantled and the keel, parts of the upper deck and the conning tower, etc., have been removed. This weight can just barely be handled for overland transport by two 70 ton trucks.

2. The total period required for the transfer, from the time the boats are decommissioned until they are again ready for action in the Black Sea, was estimated at the time at about ten months, including allowance for delays; the actual transportation would take about six weeks.

However, these figures apply only to the conditions prevailing in spring, i.e., the state of the superhighway during that season, the water level and the conditions on the Elbe and the Danube Rivers.

Whether these conditions prevail in autumn and winter, or to what extent they might vary, can be ascertained only by inquiries directed to the appropriate inland waterways offices and similar authorities, but these will have to know approximately when the transport is to take place in order to be able to give information of a somewhat reliable nature.

3. The following steps must be taken to prepare the boats for transfer:

a. They must be lightened by removing all extra equipment, the engine, including the batteries, and by removing the conning tower, keel, steering gear, hydroplane, screws, and parts of the upper deck.

b. Supporting framework for transport on the special superhighway trucks with a carrying capacity of 70 tons must be constructed and installed.

c. Simple pontoons for transport on waterways must be constructed and installed.

d. Probably it will be necessary to adapt the slipways available at Uebigau and Ingolstadt.

e. The dismantled parts must be installed again in a Rumanian shipyard; subsequently diving and trim tests and short trials will be necessary.

Investigations made so far concerning the transport of the small Finnish submarines, which weigh 100 tons, but have a radius of action of only 375 miles, show that it would be quite possible to transfer the boats by rail, which would considerably reduce the time required for transport. Further details must be obtained from the Reich railroad, however.

Memorandum on Shipping Space.1. Present situation in regard to shipping space:a. In the Mediterranean for transport to Africa:

(1) German ships or non-French ships taken over by Germany in French territorial waters:

Present numbers:

Thirteen damaged ships totalling 35,684 BRT

Eight ships totalling 30,334 BRT

Total: Twenty one ships totalling 66,018 BRT

Total losses to date:

Twenty four ships totalling 102,766 BRT

(2) Italian ships. Details as to numbers and tonnage of the ships committed by the Italians cannot be obtained. The number of ships varies according to the requirements of the various Italian supply areas. The Italians are supplementing and taking the place of German ships no longer available in sufficient numbers to transport German troops. In practice the German and Italian ships sail to Africa together. Occasionally there have been temporary shortages of shipping space as the result of heavy losses, since sufficient reserves had not been provided.

b. In the Mediterranean for shipments in the Aegean Sea:Present numbers:

5 German ships	totalling	12,583 BRT
5 Italian ships (chartered)	totalling	18,660 BRT
2 Bulgarian ships (chartered)	totalling	6,779 BRT
1 Rumanian ship (chartered)	totalling	3,032 BRT
7 Spanish ships*	totalling	2,564 BRT
<u>9 Greek ships (prizes)</u>	totalling	<u>12,906 BRT</u>
29 ships	totalling	56,524 BRT

Damaged:

2 ships totalling 2,751 BRT

Total: 31 ships totalling 59,275 BRT

Total losses to date:

3 German ships totalling 7,342 BRT

* These ships are German property operated by a Spanish cover firm.

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2 Italian ships	totalling	7,203 BRT
2 Bulgarian ships	totalling	7,980 BRT
3 Rumanian ships	totalling	10,427 BRT
1 Spanish ship	totalling	807 BRT
3 Greek ships	totalling	5,965 BRT
<u>14 ships</u>	totalling	<u>39,724 BRT</u>

c. In the Black Sea:

Present numbers:

1 Bulgarian ship	totalling	1,994 BRT
6 Rumanian ships	totalling	24,577 BRT
5 Hungarian ships	totalling	4,051 BRT
<u>12 ships</u>	totalling	<u>30,622 BRT</u>

Damaged: None

Total losses to date:

1 German, 1 Italian, 1 Rumanian, and 1 Hungarian ship	totalling	<u>9,307 BRT</u>
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2. Reserves in the various transport areas:

a. In the Mediterranean for transports to Africa:

(1) German ships: The following are still operating in commercial traffic, carrying bauxite, ore, and coal:

ten ships totalling 26,495 BRT

On account of their weak loading gear, narrow hatches, and low speed, these ships cannot be used for transporting military supplies and troops. Besides, the transport of supplies important to the war economy would be greatly limited if the ships were withdrawn from their present tasks.

(2) Italian shipping:

(a) Despite the efforts made for months by the Naval Attache in Rome, the German Admiral with the Italian High Command, and the Commanding Officer, Supply and Transports in Rome, it has been impossible to obtain from the Italians a list of the Italian ships available; hence the German Navy still lacks absolutely essential knowledge of current reserves in the Italian merchant marine.

(b) Unlike in Germany, in Italy the Italian Armed Forces cannot requisition ships for military purposes without sanction from the Ministry of Transportation. Admiral Riccardi is forced to request the Transportation Minister Host-Venturi to make merchant vessels available. If the request is refused, Riccardi's only resort is the Duce. It is therefore practically impossible for the German Navy to obtain additional ships for supply shipments, except for those carried out together with the Italians, as the Africa transports. The ruling at present existing in Italy must be altered so that when the German Navy requests ships for war purposes Admiral Riccardi has the power to dispose of commercial shipping.

b. Mediterranean (Aegean): No reserves are available; they can be drawn only from the Italian ships available in the Mediterranean.

c. Black Sea: The same applies as under "b". Rumania, Bulgaria, and Hungary are beginning to press for release of their ships for commercial shipping.

3. Improvement in the transport vessel situation through new construction:

a. Construction under way or planned in Italy:

(1) For Germany:

(a) Six ships of 3,500 BRT each, totalling 21,000 BRT, are to be built by the Transportation Ministry under the Italo-German combined program; material will be provided from the Transportation Ministry quota, while labor and building slips will be supplied by the Italians.

They are to be started early in 1942, and finished early in 1943.

(b) Twenty transports of 1,200 tons displacement and 14.75 knots, totalling 24,000 tons.

All arrangements have been made; construction now depends entirely on approval of the allotment. The plans were made by the Navy. Material has been requested from the Armed Forces High Command. The Armed Forces High Command cannot pass on allocations beyond the naval quota. The question must be dealt with according to the Fuehrer's decision on the over-all situation.

Specifications will be finished in three weeks. Minister of Transportation Host-Venturi in Italy has put eight to ten building slips and the necessary labor at our disposal. The ships will be ready by summer or autumn of 1942.

(c) Twenty two naval barges, each with a capacity of about 105 tons, totalling 2,300 tons.

Material is supplied by the Navy; they are being built in Palermo.

Four naval barges have been completed and transferred to Africa; a further eleven naval barges will be ready by the end of December; an additional seven will be completed by the end of February.

2. For Italy:

(a) Being completed:

Ready for operations at the end of 1941: Ten ships of 9,000 BRT with a speed of 15 to 16 knots, totalling 90,000 BRT.

Date of completion not yet known: Ten tankers of 9,000 BRT, totalling 90,000 BRT.

(b) To be started in 1942:

Italo-German combined program. The number and size of the ships has not yet been decided; the same amount of material as for the six ships for the Reich Ministry of Transportation will be sup-

plied by that ministry.

Planned Italian war construction program.

10 tankers of 9,000 BRT totalling 90,000 BRT

18 steamers of 4,000 BRT totalling 72,000 BRT

10 steamers of 2,000 BRT totalling 20,000 BRT

Minister Host-Venturi has obtained sanction from the Duce for the new war construction program. According to information from the former, the material necessary to complete the vessels now under construction and to build the ships planned under the new construction program will be provided by Italy.

Shipyards capacity is available for the entire program including German constructions.

b. Aegean Sea: In the Aegean it is possible to build only submarine chasers (wooden vessels) and small wooden ships which can be used for distribution of supplies among the islands.

c. Black Sea:

(1) Nikolayev shipyard: This shipyard will not be available for construction of ships until spring 1942 because of the lack of coal and oil. It is planned to build 20 transport vessels of 1,200 tons displacement and 14.75 knots each, totalling 24,000 tons, of the same type as those being built by the Italian Navy. The shipyard will have to stop work on 15 December because of the fuel shortage.

(2) Naval barges:

Orders have been placed for: 23 naval barges with a capacity of about 100 tons each, totalling 2,400 tons.

Of these 5 barges have been completed; by the end of December 1941 10 will be completed; by the end of February 1942 the remaining eight will be completed.

(3) Hungarian yards: Of the 3 Hungarian shipyards, all located in Budapest, one is completely occupied, according to information received, and the other two are shipyards for small craft with few workers; they have facilities for vessels with 500 ton hulls.

(4) Bulgarian and Rumanian shipyards: These shipyards are fully occupied with the construction of naval barges and with ship repairs. Besides, they are not suitable for building large vessels.

4. Improvement of the transport vessel situation by other measures.

Since the effects of the program outlined under "3" will not begin to show until 1943, the following steps have been taken:

a. Requested from the French Government through the Armistice Commission:

18 transports totalling 59,775 BRT (10 to 14 knots)

4 tankers totalling 28,464 BRT

b. Being transferred from French North Africa to Italy:

2 Dutch ships totalling 2,500 BRT

c. Negotiations are being carried on with the German administrator of the French shipping company "Compagnie France Navigation" for the purchase or charter of:

7 ships totalling 16,000 BRT

d. Negotiations are under way for the purchase of:

6 Turkish coastal vessels totalling 2,000 BRT

The purchase of two ships has been concluded and negotiations for additional Turkish steamers are under way.

e. Preparations have been made to transfer 5 Dutch motor vessels seized by the German Navy via Spain to Tripoli. The first ship is to attempt to break through in the middle of December.

The 5 ships of 500 BRT each total 2,500 BRT

f. At the request of the Naval High Command 2 ships totalling 700 BRT have been bought by the Spanish cover firm. The purchase of further vessels is complicated by foreign exchange difficulties.

The Fuel and Diesel Oil Situation of the Navy as of
6 December 1941.

Fuel Oil.

Total stocks at seventy one bases amount to 365,000 tons.

Of these 365,000 tons, 227,000 tons are ready for immediate use. Because of the chemical properties of the remaining 138,000 tons they must first be mixed with Rumanian fuel oil or German lignite tar oil to make them fit for use; at present this is possible only on a small scale, as these components are not available in sufficient quantities.

Monthly addition: 48,650 tons from German home production.

At present there are no imports from Rumania for financial reasons; the Rumanian government has demanded immediate payment of 20,000,000 reichsmarks in gold, according to General Thomas.

Consumption: The Navy requires about 100,000 tons per month. Beginning 1 December 1941, a sharply reduced quota has been ordered, fixing monthly consumption at 50,000 tons, which is 50% of the requirements.

Effect: Allocations to all units with the exception of those engaged in submarine training (target ships, recovery vessels, etc.) have been drastically cut.

As a result of this, the time allowed for firing practice, training of the fleet units, and practice maneuvers must be reduced to a minimum, and only about 15,000 tons of fuel oil per month are available for operations.

Deliveries to Italy: The serious supply situation of the Italian Navy calls for immediate assistance. By 1 January 1942 the Italian Navy will have received 90,000 tons of fuel oil from the stocks of the German Navy. Of these, 29,000 tons have been delivered, the remaining 61,000 tons, which will be transported in railway tank cars from France (Lyons), Gdynia, Wesermuende, and the Ruhr, are to reach their destination by 1 January 1942. 1,500 railway tank cars will be used; one train consists of about forty tank cars with a capacity of 500 tons.

These 90,000 tons of fuel oil will be sufficient to supply the Italian Navy until about the middle of January 1942 providing they do not use more than 60,000 tons per month. Thereafter supplies will depend mainly on the extent of deliveries of Rumanian fuel oil to Italy. It must be remarked that the German Navy is not in a position to send further supplies of fuel oil to the Italians.

Summary: As the Navy at present receives only 48,650 tons from German home production and will have to hand over an additional 61,000 tons of fuel oil to the Italians by 1 January 1942, total stocks will drop from 365,000 tons to 304,000 tons. Of these, 104,000 tons will not be ready for use. It must also be remembered that merchant shipping is applying to the Naval High Command in increasing measure for allocations of fuel oil, e.g., 2,400 tons per month for supplies to Norway. The total stock of fuel oil must not drop below 200,000 tons at the very least, if naval forces in the seventy one bases are to be supplied.

Diesel Oil.

Total stocks at seventy one bases amount to 97,000 tons.

Of these, 78,000 tons are of naval quality and 19,000 tons are of the usual commercial quality for merchant vessels.

Monthly addition: 40,000 tons.

Naval consumption: 45,000 tons per month (of these submarines alone will require about 20,000 tons per month beginning January 1942); thus stocks will be reduced by 5,000 tons per month. It must also be borne in mind that as a result of the drastic cut in the quotas for concerns supervised by the "Ruestungsinspektion", the factories working for the Navy are applying to the Navy to an increasing extent for supplies of Diesel oil (e.g., in December the Maschinenfabrik Augsburg-Nuernberg asked for 500 tons, and the Mannheimer Motorenwerke for 100 tons). The same applies to merchant shipping. Stocks must not be allowed to fall below 60,000 tons if the seventy one bases are to be able to supply our vessels.

Beginning February 1942 it is planned to assign Diesel oil quotas to the operational commands.

Commander in Chief of the Navy

Report of the Commander in Chief, Navy to the Fuehrer on
the evening of 29 December 1941 at Wolfsschanze.

Present: Chief of Staff, Armed Forces High Command
Vice Admiral Fricke
Captain von Puttkamer

1. Situation in Norway.

Appraisal: An enemy surprise undertaking of considerable proportions is being carried out against focal points on the trade route off Narvik and near Bergen with the following objectives:

- a. To destroy outposts and batteries.
- b. To harass and disrupt merchant shipping with incidental successes.
- c. For propaganda and prestige purposes.
- d. To reconnoiter the terrain and the defenses with view to the later establishment of bridgeheads for the purpose of disrupting and blocking supply routes.

No connected large-scale operation is as yet apparent.

Our own shortage in operational naval forces again proves the necessity of having a strong air force ready for operation in the Norwegian area to repulse enemy actions.

Our own measures involve submarines, PT boats, and destroyers.

2. The question of transferring the TIRPITZ to Trondheim is discussed in this connection, and also the question of where she is to be committed. Up to the present time it has been intended to move her to Trondheim on 10 January. She was to operate from Trondheim as the enemy situation, operational requirements, and the situation of our defense, naval, and air forces required.

Strategic function of the TIRPITZ:

- a. To protect our position in the Norwegian and arctic areas by threatening the flank of enemy operations against the northern Norwegian area and by attacking White Sea convoys.
- b. To tie down heavy enemy forces in the Atlantic so that they cannot operate in the Mediterranean, the Indian Ocean, or the Pacific.

(This function will be fulfilled to some extent merely by keeping the TIRPITZ ready for action in Trondheim. The operational objective can be attained fully only by actual operations.)

Operational possibilities:

- a. Attacks against the convoy route Britain-Iceland-White Sea.
- b. Attacks on enemy shipping in the Arctic Ocean.
- c. Bombarding of points of military importance.
- d. Interference with enemy operations.

The Fuehrer will decide this question shortly, when the whole situation in Norway becomes clearer. (See opinion under "4".)

3. The question of sending the SCHEER out into the Atlantic and Indian Oceans is discussed. Conditions for doing so have improved: There are no more political scruples as regards the U.S.A., and there is the possibility of withdrawing to Japanese bases. The biggest risk is in breaking through.

The Fuehrer decides as under "2".

4. The SCHARNHORST, GNEISENAU, and PRINZ EUGEN.

Ready for operations as far as materiel is concerned: The GNEISENAU and SCHARNHORST probably on 10 and 5 January 1942, the PRINZ EUGEN probably on 31 December 1941.

Until the ships are ready to that extent only theoretical training and limited practical training at the various battle stations can be carried out.

Training in the roadstead and at sea for regular and combat duty, which is necessary to prepare vessel and crew for operations, aims to accomplish the following:

- a. To familiarize the crew with the ship and give them some practical training and experience.
- b. To give the crew a feeling of belonging together and develop esprit de corps.

This aim can on no account be achieved in dock and with stationary ships. Therefore the battleships will have to undergo at least several weeks training in the waters off the French Atlantic coast prior to being sent on operations. All necessary security measures should be taken during this time. Training should be carried on first in the harbor and in the roadsteads of Brest, later in Brest Bay, and then at sea off the west coast of France.

It is out of the question to send the ships on operations before March 1942. The nature of the operations will depend on an appraisal of the enemy situation and on the oil situation. A final decision as to the nature of the operations is thus not possible at the moment, as the situation is continually changing. Possibilities are attacks on British north-south convoy traffic, or transfer to the northern area.

In the opinion of the Naval Staff, the beginning of these operations must not be delayed beyond March or April at the latest, since operational conditions later in the year will become much more unfavorable,

and in summer such operations will no longer be possible. Practical training to get the ships ready for operations must therefore begin at once. Otherwise they will lie idle until next winter and be exposed to enemy air attacks on the French Atlantic coast without any action on their part.

The training described above would also be necessary if the break-through to home waters through the Channel were to be carried out. This step is impossible, however, according to information to date. The risk, not counting dangers arising from light naval and air forces and from mines, and especially the navigational difficulties, is tremendous, and the venture would tax the capacity of both crews and vessels to the limit.

It is impossible to safeguard the route sufficiently with our inadequate mine-sweeping and escort forces; for some time now the route for large ships has been abandoned. It is impossible to evade plane attacks in the narrow channels swept clear of mines. It is necessary to reduce speed when following mine sweepers and mine-detonating vessels.

The Fuehrer's remarks on points "1" to "4": If the British go about things properly they will attack northern Norway at several points. By means of an all-out attack with their fleet and landing troops, they will try to displace us there, take Narvik if possible, and thus exert pressure on Sweden and Finland. This might be of decisive importance for the outcome of the war. The German Fleet must therefore use all its forces for the defense of Norway. It would be expedient to transfer all battleships and pocket battleships there for this purpose; the latter could be used, for instance, for attacking convoys in the north although the Naval Staff does not consider them suitable for this task in this area. (Marginal note: How come? In winter perhaps?) The return of the Brest ships is therefore most desirable. This could be accomplished best if the vessels were to break through the Channel taking the enemy completely by surprise, i.e., without previous training movements and during bad weather which makes plane operations impossible. (Naval Staff: Navigational difficulties will also be greatest then.) Any movement for training purposes, especially since the British are kept so well informed by their intelligence service, would lead to intensified British torpedo and bomb attacks, which would sooner or later damage the ships; thereafter, assuming the most favorable circumstances, renewed repairs would be necessary. The only possibility is a surprise break-through with no previous indications that it is to take place; even then the chance that it could be executed successfully through the Iceland Strait is very small in view of the presence of aircraft carriers.

If the surprise break through the Channel is impossible, therefore, it would be best to decommission the ships and to use the guns and crews for reinforcements in Norway.

In this connection the value of torpedo planes is discussed. These are rated very high. The question of the value of battleships in future warfare is also brought up; their value was denied. This statement met with sharp and detailed opposition from the Chief, Naval Staff.

The Chief, Naval Staff points out that the presence of battleships in Brest, even if under repair, forces the British to protect their convoys with heavy forces which are then not available for other purposes; it would be impossible to justify the decommissioning to the Italians and especially to the Japanese. The Chief, Naval Staff further elab-

orated these points. The training plans should be adhered to so that the battleships could be used at the decisive moment if the situation should change quickly, e.g., if France should come in on our side.

The Fuehrer emphasizes again and again the importance of defending Norway, and will reserve his decision until the situation there is clear. After learning of the Fuehrer's new viewpoint, the Chief, Naval Staff requests permission to go into the whole question once more before a decision is made. The Fuehrer agrees.

Supplement:

Re torpedo planes: For a long time the Fuehrer had the wrong idea about torpedo planes. He was present at some tests in Kiel once, and on that occasion it was emphasized that the height at which torpedoes are released would have to be increased in order to make successful attacks. Now surprise attacks can be made due to the very fact that the planes attack at a height of five meters over the water. According to the Reichsmarschall's statement, progress has been hampered by the fact that the Navy develops the torpedoes and the Air Force the planes. The course of the war would have been changed decisively if at the very beginning a hundred torpedo planes had attacked the British Fleet in Scapa Flow.

The Chief, Naval Staff draws attention to the fact that the Navy developed the aerial torpedo during the Weimar Republic, and that production was stopped in June 1940 at the instigation of the Commander in Chief, Air because large-scale successes were not attained at once.

5. Submarine Warfare. (See Annex 1.)

A report is made on the trade routes from the U.S.A. and operations by submarines against focal points on the coast of the U.S.A.

signed: Raeder

Annex 1

Submarine Situation as of 27 December 1941.

1. There are 98 operational boats available.

a. Of these, the following are either in or en route to the area of operations:

(1) For operations off the American coast:	3
(2) For operations in the Arctic Ocean:	3
(3) For operations on the west coast of Norway (including 3 en route):	5
(4) For operations in the Mediterranean, including the area west of Gibraltar:	20
(5) For special mission in the Atlantic (radio decoy):	1

b. The following are on return passage:

(1) From the South Atlantic:	2
(2) In the Mediterranean:	3
(3) From the area of operations west of Gibraltar:	<u>1</u>
Total:	<u><u>38</u></u>

2. The remaining 60 operational boats included in the total 98 mentioned under "1" are not ready for operations. They are distributed as follows:

a. In ports in western France:	38
b. In Kiel:	13
c. In Trondheim:	1
d. In Mediterranean ports:	<u>8</u>
Total:	<u><u>60</u></u>

3. Of the operational boats under "2" the following will be ready for operations as indicated, provided there are no delays in the shipyards:

a. By 1 January 1942:

(1) From ports in western France:	4
(2) From Kiel:	3

b. Thereafter, by 15 January 1942:

(1) From ports in western France:	13
(2) From Kiel:	2
(3) From Trondheim:	1
(4) From Mediterranean ports:	2

c. Thereafter, by 1 February 1942:

(1) From ports in western France:	7
(2) From Kiel:	1
(3) From Mediterranean ports:	<u>1</u>

Therefore ready for operations by 1 February 1942: 34

4. A further fifteen operational boats may be expected by 1 February 1942 from the Warship Construction Testing Command.

GLOSSARY 1941

Anti-Submarine Mine Type A

Moored anti-submarine contact mine.

Attila

Code name for the occupation of unoccupied France.

Barbarossa

Code name for the invasion of the U.S.S.R. begun in June 1941.

Beowulf

Code name for the occupation of the islands in the eastern Baltic Sea.

Berghof

Hitler's mountain retreat on the Obersalzberg near Berchtesgaden, Bavaria.

BRT

Brutto-Register-Tonnen. Gross register tons.

Buna

A synthetic rubber made by polymerization of butadiene.

Cruiser "L"

The German cruiser LUETZOW. Sold to the U.S.S.R. in an uncompleted state under the naval clause of the Russo-German Pact of 1939. Towed to Leningrad late in 1940, was to be completed there with the help of German technicians.

C/25 Guns

15 cm. rapid fire gun Mark 25. Originally designed and built by the armament firm Rheinmetall-Borsig for the cruiser NUERNBERG. Mounted in 15 cm. revolving triple turret Mark 25. Gross weight of three guns, turret, armor, and fire control approximately 147,709 kg.

EMC

See Standard Mine Type C.

Felix

Code name for the occupation of western Spain, the Canary Islands, and Gibraltar; creation of new submarine bases in the Atlantic.

Focke-Wulf 200

Four-engine bomber. Weight 50,000 lbs.; bomb load 3,600 lbs.; service ceiling 20,500 ft.

Genoa action

Various convoys transporting troops and supplies from Italy to North Africa.

Kuhlemeyerwagen

A specially constructed platform car, suitable for accommodating very heavy loads. Such cars were built by the Kuhlemeyer Manufacturing Company.

Marita

Code name for the invasion of Greece.

Merkur

Code name for the occupation of Crete.

Nina Guns

"Nina" was the nickname (cf. "Big Bertha") given to the 30.5 cm. rapid fire gun L/40 (30.5 cm. SK L/40).

Priorities "O", "S", "SS"

Stages in the priority schedule for German war production.

O - low priority; ordinary or routine priority.

S - execution of order to be started within six months, to be completed within eight to twelve months from time of receipt.

SS- execution of order to be started within three months, to be completed at least nine months from date of receipt.

Reichsmarschall

A rank created especially for Goering. No other person in Germany held this title.

Rheinuebung

Code name for the Atlantic operation of BISMARCK and PRINZ EUGEN the end of May 1941, resulting in the sinking of the BISMARCK.

Ruestungsinspektionen

Armed Forces Armament Inspectorates, operating in the areas of the service commands (Wehrkreise). Later these inspectorates became part of the so-called Speer Ministry (Ministry for Armament and War Production).

Siebel ferries (Siebelfaehre)

Multi-purpose supply and troop carriers built by the Siebel firm.

SS-Verfuegungstruppen

Original name of the Waffen-SS, the military branch of the SS. The name indicated that they were held at the disposition of Hitler for any purpose whatever. The Verfuegungstruppen took part in the occupation of Austria and Czechoslovakia side by side with the troops of the Army. They were subsequently formed into regular military units.

Standard Mine Type C

The German EMC mine. Contact mine against surface vessels.

Submarine Type II

Coastal type submarine built in four models: IIA, IIB, IIC, IID. All four models had a diving depth of 330 ft. and were powered by two 6 cylinder 4 stroke diesel engines for surface cruising, as well as two double-commutator electric motors for underwater operation. All four types were equipped with three bow torpedo tubes and were able to carry a maximum of six torpedoes. They were manned by a crew of 25.

Data:

Type	Displacement submerged	Fuel capacity (heavy diesel oil)	Endurance at maximum speed (naut. miles)	
			surfaced	submerged
IIa	303.1 t	11.61 t	950 @ 13 kts	35 @ 4 kts
IIB	328.5 t	21.05 t	1,300 @ 13 kts	43 @ 4 kts
IIC	341 t	22.7 t	1,900 @ 12 kts	42 @ 4 kts
IId	364 t	38.30 t	3,200 @ 12.7 kts	56 @ 4 kts

Todt Organization

A construction organization (named for the founder), which built the German superhighways, the West Wall, and the Atlantic fortifications. It employed domestic and foreign labor on military projects in Germany as well as outside Germany.

Tripartite Pact

The Pact of Berlin between Germany, Italy, and Japan. Signed at Berlin on 27 Sept. 1940. A bold announcement to the world that the leaders of Germany, Italy, and Japan had entered into a full military alliance to establish a new order in Europe and Greater East Asia.

UMA

See anti-submarine mine Type A.

Whitehead Torpedo

A conventional type, steam-turbine driven torpedo of British design. Also built under license by the Italians at the Whitehead torpedo factory in Fiume, Italy.

West Wall barrage

A system of mine barrages in the North Sea and off the coast of Norway. Geographically it constituted an extension of the West Wall fortifications on land.