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**FUEHRER
CONFERENCES**

**On Matters Dealing With
the
GERMAN NAVY**

1939

OFFICE OF NAVAL INTELLIGENCE

NAVY DEPARTMENT

Foreword

1. The present volume entitled Fuehrer Conferences on Matters Dealing with the German Navy, 1939 is the fourth of a series to appear, the 1942, 1943, and 1944 conferences having been published previously. When the series is completed, all important conferences between the Fuehrer and the Commander in Chief, Navy occurring during the war years 1939-1945 for which records have been found will be available in English. For the most part the documents translated in this volume are the result of notes taken for the Commander in Chief, Navy during his conferences with the Fuehrer. After these notes were subsequently typed, they were signed by the Commander in Chief, Navy, in this case Grand Admiral Raeder.

2. The over-all purpose of these translations is to provide materials which may be used as a basis for the study of naval problems arising from total war. The references given for each conference denote the microfilm reels and sections thereof on which the documents may be found in the microfilm library of Naval Records and Library.

3. The present volume sets forth the problems confronting the German Navy at the outbreak of war, a war the Navy had hoped to be ready for by 1944-45. It clearly shows Germany's vain hope that Britain and France might drop out of the war after the defeat of Poland; for this reason, at the outset, restrictions were placed on submarine warfare, particularly with reference to French ships, in spite of the fact that German naval men believed that unrestricted submarine warfare was Germany's only chance of bringing the war to a successful conclusion. For pertinent additional material, the attention of the reader is invited to Battle Instructions for the German Navy, May 1939, and German Naval Air 1933 to 1945 published by this office.

Thos. B. Inglis

Washington, D. C.
1947

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Berlin 3 September 1939

Reflections of the Commander in Chief, Navy on the
Outbreak of War, 3 September 1939.

Today the war against France and England broke out, the war which, according to the Fuehrer's previous assertions, we had no need to expect before about 1944. The Fuehrer believed up to the last minute that it could be avoided, even if this meant postponing a final settlement of the Polish question. (The Fuehrer made a statement to this effect in the presence of the Commanders in Chief of the Armed Forces on the Obersalzberg on 22 August.) At the turn of the year 1944-1945, for which time, according to the Fuehrer's instructions, the Navy's "Z Plan" was scheduled, Germany would have been able to begin a war against Great Britain with the Navy at the following strength:

For merchant warfare on the high seas:

- 3 fast battleships
- 3 converted pocket battleships
- 5 heavy cruisers
- several mine-laying and scouting cruisers
- 2 aircraft carriers
- about 190 submarines, including about 6 gun submarines, 6 fleet submarines, and 6 mine-laying submarines.

Two groups, each consisting of three of the heaviest type Diesel-powered battleships equipped with 40 cm. guns, would have had the task of intercepting and destroying the heavy British forces which, more or less dispersed, would pursue the German forces engaged in merchant warfare. Two ships of the SCHARNHORST and two of the TIRPITZ class would have remained available in home waters to hold down some of the heavy British ships. In this way, especially with the cooperation of Japan and Italy, who would have held down a section of the British Fleet, the prospect of defeating the British Fleet and cutting off supplies, in other words of settling the British question conclusively, would have been good.

On 3 September 1939 Germany entered into a war with Great Britain, as the latter - contrary to the Fuehrer's assumption that "England did not need to fight on account of the Polish question" - thought it expedient to fight now with the Polish question as a pretext. Sooner or later, as she saw it, she would have to fight Germany, and then probably under unfavorable military conditions, i.e., against an expanded German Fleet.

As far as the Navy is concerned, obviously it is in no way very adequately equipped for the great struggle with Great Britain by autumn 1939. It is true that in the short period since 1935, the date of the Fleet Treaty, it has built up a well-trained, suitably organized submarine arm, of which at the moment about twenty six.

boats are capable of operations in the Atlantic; the submarine arm is still much too weak, however, to have any decisive effect on the war. The surface forces, moreover, are so inferior in number and strength to those of the British Fleet that, even at full strength, they can do no more than show that they know how to die gallantly and thus are willing to create the foundations for a later reconstruction. The pocket battleships - with the outbreak of war only the DEUTSCHLAND and the GRAF SPEE are ready for operations in the Atlantic - if skillfully used, should be able to carry out cruiser warfare on the high seas for some time. The SCHARNHORST and the GNEISENAU, which are still by no means ready for action or reliable in operation, will have to attempt to hold down enemy battle cruisers in home waters and keep them away from the pocket battleships. The pocket battleships, however, cannot be decisive for the outcome of the war, either.

The merchant vessels on the high seas:

countersigned: Assmann

The groups, each consisting of three of the heaviest type Diesel-powered battleships equipped with 16 cm. guns, would have had the task of intercepting and destroying the heavy British force which, more or less dispersed, would pursue the German force engaged in merchant warfare. Two ships of the SCHARNHORST and two of the TIRPITZ class would have remained available in home waters to hold down some of the heavy British ships. In this way, especially with the cooperation of Japan and Italy, who would have held down a section of the British Fleet, the prospect of defeating the British Fleet and cutting off supplies, in other words of settling the British question conclusively, would have been good.

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CONFERENCE OF THE COMMANDER IN CHIEF, NAVY WITH THE
FUEHRER ON 7 SEPTEMBER 1939.*

On 7 September the Commander in Chief, Navy had a conference with the Fuehrer on the following problems:

1. In view of the political and military restraint shown by France and the still hesitant conduct of British warfare, the pocket battleships should for the time being withdraw from their operational areas. Furthermore, it seems that British trade is being stopped and British naval forces are being sent on planned attacks against German merchant raiders. The risk is thus out of proportion with the chances for success.

2. In view of the political situation, the waiting attitude of France, the generally impartial attitude of the neutral countries, and the fact that the United States, at least outwardly, claims strictest neutrality, the following restrictions should be observed in submarine warfare:

- a. No offensive action should be taken against the French.
- b. Passenger ships should be spared even in convoys.
- c. A part of the submarines should be withdrawn from operations at present to be available later as relief.

3. The views of the Commander in Chief, Navy on the political situation:

- a. Great Britain is unable to draw France into the war unconditionally.
- b. France fails to see any war aim and is therefore trying to stay out of the war.
- c. After the collapse of Poland, which can be expected soon, it is possible that France and perhaps afterwards Great Britain might be ready to accept to a certain extent the situation which has been created in the meantime in the East.
- d. Therefore an attack should not be forced and our strength should be saved for the time being.

The Fuehrer agrees with the views and measures of the Commander in Chief, Navy and makes the following decisions in addition:.

*No trace of this conference was found in the regular conference files of the Naval Staff War Diary. The translation was made from the report of the conference as found in the War Diary of the German Naval Staff, Operations Division, Part A, Vol. I (15 Aug. to 30 Sept.).

a. No attempt shall be made to solve the ATHENIA affair until the submarines return home.

b. Submarines in the Atlantic are to spare passenger ships and French ships.

c. The GRAF SPEE and the DEUTSCHLAND are to hold back and to withdraw for the present.

General policy: Exercise restraint until the political situation in the West has become clearer, which will take about a week.

Reflections of the Chief, Naval Staff on Atlantic Warfare, 20 September 1939.

It appeared expedient in view of the political situation in the first part of the period of tension - about the middle of August to detail the two pocket battleships ready for action in the second half of August, for cruiser warfare in the Atlantic. (Japan at this time was a very benevolent neutral and very helpful to the Navy. It was hoped that Italy would become a partner.) They were sent out before the outbreak of war with the approval of the Fuehrer, the GRAF SPEE on 21 August to the Middle Atlantic, the DEUTSCHLAND on 24 August to the North Atlantic. A supply ship for the GRAF SPEE was sent ahead. It took on oil in the U.S.A. and subsequently met the GRAF SPEE. A supply ship for the DEUTSCHLAND, fitted out as an auxiliary cruiser, was sent out on 22 August. The British evidently did not observe either the sailing of these ships or the departure for the Atlantic of about twenty one submarines north of the British Isles between 19 and 29 August. The war on merchant shipping was to be carried on by all forces according to Prize Law. On 3 September after the British ultimatum to Germany had expired and the relevant British decree received, the order was given to begin hostilities.

After the ATHENIA case (a British invention), and in the hope that after the overthrow of Poland France would withdraw from the war, the submarine war on merchant shipping was restricted by the following orders from the Fuehrer:

1. In order not to provoke neutral countries, the United States in particular, it was forbidden to torpedo passenger steamers, even when sailing in convoy.
2. Warfare against French merchant ships, attacks on French warships and mine laying off French ports were prohibited.

The second of these orders was modified on 10 September, in that mixed British-French convoys, if escorted by French or French and British forces, might also be attacked north of Brest. These restrictions meant that the large number of submarines sent out at the beginning of the war to achieve large initial successes could not be as effective as they would otherwise have been. In addition, the fact that mines, which were primarily to have affected British troop transports, could not be laid outside of French ports, made the measures against these transports much less effective. The few ports of arrival in France are easier to deal with than the numerous ports of departure in England. The approaches to Weymouth, especially mentioned as a point of departure, the waters near Dover (Downs), and the approaches to Liverpool were mined. In addition, one submarine was sent into the Channel from the west and two from the east for direct attacks on the transport vessels. Owing to the limitations set, it is no longer possible to intercept the transports from West Africa to France, on whose destruction the Navy pinned such hopes. Finally, it was also impossible

to prevent French merchant ships (tankers) from putting into French ports during the first few weeks of the war. A number of considerations prompted the Chief, Naval Staff to reach the decision on 5 September that under the circumstances it would be wrong to commit the pocket battleships fully at this time already. These considerations were as follows:

The political situation, together with the political commitment not to take any offensive action against France;

the enemy's behavior, characterized by the absence of hostile acts on the part of France, diminishing enemy merchant shipping, slowness in setting up a convoy system, and a hesitant military attitude on the part of Great Britain;

the possibility of inducing Great Britain and France to stop fighting as soon as Poland has been defeated.

He fears that the enemy might force the ships to give battle before peace is concluded - which might possibly be soon - and without their having achieved substantial successes.

At a conference on 7 September the Fuehrer agreed with this view. The pocket battleships received the following orders:

1. Operations by pocket battleships are inadvisable at present in view of France's cautious attitude and England's hesitant conduct of warfare.

2. Since it is apparent that enemy merchant shipping is diminishing and the enemy can be expected to organize his forces to combat the pocket battleships, the prospects of achieving worthwhile successes are not very good.

3. The ships are to break off warfare on enemy merchant shipping and to withdraw a considerable distance from the operational areas, for example to the Arctic Ocean, the South Atlantic, or the Indian Ocean. Radio silence is to be maintained.

When the political situation is clarified, the pocket battleships must again be brought into action. It is hoped that convoys will then appear on the North Atlantic route, which the submarines reported unfrequented during the last few weeks, and these will provide welcome targets for attack. If possible, the battleships are to make a sortie into the north simultaneously, in order to divert British battle cruisers and aircraft carriers from the pocket battleships.

According to reports from aerial reconnaissance, there are no worthwhile targets for our heavy forces in the northern North Sea at present. It would be wrong, therefore, to send these ships out without any specific target, as this could lead to losses on arrival or departure through the North Sea or the Kattegat. The time, moreover, must be utilized for tactical exercises, and the ships made completely ready for action.

Owing to the fact that at the beginning of the war twenty one submarines were in the Atlantic, there exists a certain vacuum in the second half of September. From time to time there will be only four or five submarines in the Atlantic. By October it will again be possible to operate a larger number of boats, about ten to twelve. At this time convoys can be expected from the Mediterranean to England and from Cape Town to England; operations against these are particularly remunerative. Mine-laying operations off the east coast of England are to be continued.

Conference between the Chief, Naval Staff and the Fuehrer on 23 September 1939 in Zoppot.

Present: General Keitel

After a report on the situation in the Baltic, North Sea, and Atlantic, the Chief, Naval Staff reported the following:

1. The first phase of the submarine war in the Atlantic and the Channel is over. When the war broke out, numerous submarines were at sea; a great stream of steamers was returning home to England and France; as yet there were no armed merchantmen; defenses were not yet fully organized. It is true the submarines sank 232,000 tons of shipping so far, but they are hampered by the politically motivated restrictions, e.g., no attacks on passenger vessels and no action against French naval and merchant shipping. The latter restriction prevents submarine action against the French battleships DUNKERQUE and STRASBOURG, the chief opponents of our pocket battleship; it hampers our operations against the large convoys from North Africa to France, and interferes with effectively harassing British troop transports to France, especially by minin; French ports. The Navy considers the disruption of British transport traffic a special duty. Mines have been laid in the approaches of some of the many possible British ports of departure, such as Weymouth and Dover, but we cannot be sure they are the ones being used. The number of French ports of arrival is smaller, however, and thus easier to deal with - but it is doubtful whether this is true at the present stage. At present, moreover, three submarines, are operating against the British troop transport traffic, two from the east and one from the west, and they should not be handicapped in their already tremendously difficult task by having to give consideration to possible French ships which may have to be spared.

On the basis of these arguments, the Fuehrer, with the agreement of General Keitel, approved lifting the restrictions on the following eight points:

- a. Treatment of French battleships and operational aircraft.
- b. Attitude toward French warships sailing in convoy or mixed convoy.
- c. Attitude toward French steamers sailing in convoy, troop transports, etc.
- d. Treatment of French merchant ships.
- e. Procedure with regard to French goods.
- f. Neutral goods (contraband) destined for France.
- g. The use of mines off the coast of France.
- h. Action against vessels sailing without lights along the

English and French coasts, including the Channel and its approaches.

2. The intensification of anti-submarine measures by aircraft and armed merchant vessels will apparently make it impossible to search British merchantmen in the future. The Fuehrer approved the proposal that action should be taken without previous warning against enemy merchant ships definitely identified as such (with the exception of unmistakable passenger steamers), since it may be assumed that they are armed. To offset this, a neutral ship should occasionally be treated especially well in order to show that the system has not been fundamentally altered.

3. The Chief, Naval Staff then broached the question of the measures to be adopted in case the war against France and England should have to be fought out to the finish. (The Fuehrer still hopes to drive a wedge between France and England. He intends to make a statement on the political situation to the Commanders in Chief within the next two weeks.) Among the measures discussed are the following:

The expression "submarine warfare" is to be replaced by the expression "war against merchant shipping". The notorious expression "unrestricted submarine warfare" is to be avoided. Instead of this, the proclamation of the "siege of England" is under consideration; such a military system would free us from having to observe any restrictions whatsoever on account of objections based on International Law. It would be up to the Navy and the Air Force to put the siege into effect. If necessary both branches of the Armed Forces could participate, but the Air Force alone may be sufficient. In about two weeks, after discussions with the Foreign Office, there will be more detailed information as a basis for a decision by the Fuehrer.

4. It will be necessary to commit the pocket battleships by about the beginning of October so that their supplies will not be exhausted or their morale undermined. The second large wave of submarines will also be committed at the beginning of October, presumably against convoys west of Spain, coming from the Mediterranean or from around Africa. The protection of merchant shipping by means of convoys is from now on of primary importance to the enemy.

The Fuehrer agrees.

5. According to aerial reconnaissance, the SCHARNHORST and the GNEISENAU have at the moment no opposition even in the northern North Sea (Sheltand Islands-Norway); it would be incorrect, therefore, to send them out on a wild goose chase, whereby they would be unnecessarily exposed to submarine attacks while putting in and out of the Belts and the German Bight. They are still greatly in need of training and this can be carried out in the Baltic Sea. The HIPPER has not had sufficient trial runs. These ships are to be committed when enemy resistance by surface forces in the North Sea is strengthened due to our intensive war on merchant shipping in those waters, which is to begin next week, and which will be directed against the steamers sailing between Great Britain and Scandinavia. At the same time they are to divert the attention of the enemy from the operations of the pocket battleships.

6. The submarine construction program set up within the framework of the Mobilization Plan, as ordered by the Fuehrer in the conference on 7 September 1939, gives figures which, in the long run, will not keep pace with the anticipated losses. The planned increases are approximately as follows:

1939 - 7 submarines
1940 - 46 submarines
1941 - 10 submarines per month

In 1918 the Scheer Program provided for approximately thirty submarines per month. Thus in about two weeks at the latest, when the aforementioned political decision is made, the number of submarines to be constructed must be increased to at least twenty to thirty per month. This may have to be done at the expense of the other branches of the Armed Forces and by cutting construction of everything not absolutely essential to the Navy, e.g., small torpedo boats. In connection with the Ju 88 program it was revealed in a discussion with Field Marshal Goering that the Air Force would not be able to carry out large-scale attacks until the beginning of 1940 at the earliest, and in all probability - and this coincides with the view of the Chief, Naval Staff - not until the autumn of 1940. It is probable that the defenses will then be so strong that any successes against ports and naval craft in port will be almost out of the question. It will perhaps be possible to lay mines at night, and during the day under smoke cover. At all events, the entire burden of the war against England during the whole of the first year will rest on the Navy alone, which means on the submarines. (The Fuehrer recognizes that air attacks on England have more prospects of success at the present stage, even with fewer aircraft, than later with a larger number of planes, as the defenses will then be too strong.) The Fuehrer declared that for these reasons, which he fully appreciates, the submarine construction program must be promoted in every way, even at the expense of the Ju 88 program.

The Commander in Chief, Navy received instructions to investigate the following:

- a. What else could be shelved in the Navy (BISMARCK, TIRPITZ, and the two 10,000 ton cruisers will not yield very much).
- b. What the Navy needs in the way of labor and material in order to realize a monthly increase of from 20 to 30 submarines (problem of engines and periscopes).

7. The Chief, Naval Staff raises the question of Russian and Italian cooperation on the following points:

- a. Cession of submarines to the German Navy
- b. Equipment of auxiliary cruisers (Murmansk)
- c. Permission for German warships to use Russian ports

The Fuehrer will ask the Foreign Minister to clarify these questions on his next visit to Moscow. The Italians will certainly be very cautious. Japan will presumably keep her promises regarding permission to use Japanese ports and equipment of German ships.

(handwritten note: seen by Chief, Naval Staff)

Report of the Commander in Chief, Navy to the Fuehrer
on 10 October 1939 at 1700.

1. Situation in the Baltic Sea:

War against merchant shipping: The most important factor is to prevent future penetration by British submarines. It is therefore planned to simplify administration by combining Group East with the Commanding Admiral.

Situation in the North Sea:

During the last few weeks there has been considerable activity by surface forces against merchant shipping in the Kattegat and Skagerrak. From 7 to 9 October the GNEISENAU took part. (The SCHARNHORST will not be ready until next week owing to leakage of salt water into the lubricating oil and damage to bearings.) The GNEISENAU moved to Utsire for the purpose of keeping British battle cruisers in the North Sea and freeing the pocket battleships; she was also to draw British naval forces within the reach of German submarines and aircraft. The latter effect was achieved. The Commander in Chief, Navy pointed out that the GNEISENAU and the SCHARNHORST, operating together, have nothing to fear from the three British battle cruisers, especially as they can withdraw from them if necessary. All-out operations by them, however, are restricted by the fact that they are the only battleships available for protection of the Baltic Sea and the German Bight until the BISMARCK and the TIRPITZ are ready. The Fuehrer definitely agreed with these views.

British cables within reach should be cut.

Submarines are no longer to operate against merchant shipping off the Scandinavian coast, in order to prevent sinking Scandinavian merchant ships. The small submarines are to conduct mine warfare off the English east and Scottish west coasts instead, in which direction heavy forces evade us. Mine warfare off Weymouth and the Bristol Channel has achieved successes; evidently the British have no mine-sweeping facilities.

Convoys are now the rule. U "35" torpedoed two steamers out of a convoy and U "31" one, operating separately.

Eight submarines will operate against convoys next week off the west coast of Spain.

The DEUTSCHLAND and the GRAF SPEE, in the Middle and South Atlantic, have reported sinking one British vessel each. Apparently 10,000 ton cruisers were sent in against them.

Auxiliary cruisers are being equipped, one in Murmansk. Most of them will go to the Indian Ocean. They will carry mines.

The Russians have offered the bay east of Murmansk as a base; this will be investigated.

2. Siege of England:

If the war continues this must be carried out at once and with the greatest intensity. The Foreign Office, the Ministry of Economics, and the Ministry of Food will be previously notified regarding developments. All objections must be overruled. Even the threat of America's entry into the war, which appears certain if the war continues, must not give rise to any restrictions. The earlier and the more ruthlessly we commence, the sooner the effect and the shorter the duration of the war. Any restrictions will lengthen the war. The Chief of Staff, Armed Forces High Command and the Fuehrer agree entirely with this.

The Commander in Chief, Navy will submit a manifesto.

3. The Commander in Chief, Navy reports on the extent of submarine construction within the framework of the mobilization plan and the large-scale submarine construction plan. See the survey of the expanded submarine construction program and requirements for naval production (Annex 1); see also the survey of construction to be continued on battleships, destroyers, torpedo boats, mine sweepers, etc. (K I 1460 Gkdos. of 6 October 1939; not included).

The Fuehrer inquires whether it is necessary to complete the GRAF ZEPPELIN. The answer is in the affirmative, as she might be needed to escort the 10,000 ton cruisers out into sea and operate with them, and since trial of one such ship is necessary. The Fuehrer agrees. The Commander in Chief, Navy emphasizes that the submarine construction program, which is indispensable and of decisive importance for the war against Britain, can be carried out with certainty only by giving it priority over all other programs. He enumerates the requirements in material, labor, and factory facilities and requests a definite order from the Fuehrer. A draft is submitted. (See Annex 2.) Responsibility is not to fall upon factories, which were completely upset owing to previous procedure. The Commander in Chief, Navy is to submit exact information regarding requirements to the Chief of Staff, Armed Forces High Command, and also a breakdown of the output of the various factories to the Fuehrer, who wishes to make suggestions. The Commander in Chief, Navy once again emphasizes the necessity of definite concentration on submarines. He declares it necessary to stop the large Krupp expansion, perhaps even to give two assembly lines to Russia. The Fuehrer orders that the Armed Forces High Command investigate whether this expansion is not necessary for the Army mortar program. The consequences for the Navy will be that we cannot lay the keels for all battleships immediately after the end of the war. The Fuehrer considers that it would be sufficient in this case, to lay the keels of two battleships.

4. The Fuehrer rejects, for political reasons, the proposal to construct submarines in Russia or to buy them from her.

5. The Commander in Chief, Navy explains that conquest of the Belgian coast would be of no advantage for submarine warfare. The Fuehrer agrees, but emphasizes its value for the Air Force.

The Commander in Chief, Navy points out how important it would be for submarine warfare to obtain bases on the Norwegian coast, e.g., Trondheim, with the help of Russian pressure. The Fuehrer will consider this matter.

signed: Raeder

countersigned: Assmann

High Command, Navy, General Naval Bureau

Requirements for Naval Production; the Large-Scale
Submarine Program.

Notes for a report to the Fuehrer

I. General Requirements:

The expanded submarine construction program calls for a considerable increase in raw materials, workers, and factory facilities as compared with previous allotments.

It is impossible to carry out this program with the former priority regulations and by putting it on a par with the programs of other branches of the Armed Forces and other claimants which are also designated as urgent. It requires definite priority over all other work and probably also drastic restriction of urgent work for other branches of the Armed Forces and for the various special programs. It is essential that branches of the Armed Forces and other claimants should be clearly instructed regarding the unavoidable delays in their work, and regarding the necessity for them to concentrate on the remaining projects.

II. Raw Materials:

1. Necessary monthly quota:

(The figures given are preliminary estimates.)

	4th Quar. 1939 in tons per mo.	1st Quar. 1940 in tons per mo.	2nd Quar. 1940 & subseq. in t./mo.	Previous allotments for Oct.39 in tons
Iron and steel	195,000	195,000	195,000	125,000
Copper	3,900	4,800	5,850	1,755
Lead	2,500	3,200	3,900	1,000
Tin	210	280	342	60
Nickel	200	240	274	180
Aluminum	2,100	2,550	2,950	970

2. The necessary supply of raw materials must be insured for the duration, so that construction, once commenced, can be completed and misuse can be avoided.

3. In the case of the metal requirements, all economy measures possible in the present stage of development have been taken into consideration. All work in the experimental stage will be continued with the utmost speed, in order to decrease as far as possible the demands for scarce metals.

4. Note for the Commander in Chief, Navy:

In order to judge the importance of the requirements, the total quantities available for the German Reich are given below. These are compiled according to a statement of the Armed Forces High Command, War Economy Division from home production, scrap metal, old material and factory waste, from national reserves, industrial stocks, remaining imports, material captured in Poland, and equipment returned from the front.

	Total Monthly Quotas	
	until spring 1940 in tons	beginning spring 1940 in tons
Iron and steel	1,500,000	1,300,000
Copper	24,000	9,000
Nickel	900	200 to 350
Aluminum	20,000	22,000

III. Workers :

1. According to a rough calculation of only the most important work, the following additional assignment of workers will be necessary:

Ship construction and ship engine construction	20,000 workers
Torpedoes and mines	60,000 "
Precision mechanical and optical equipment (gunfire control apparatus)	5,000 "
Other work, including work done by subcontractors	35,000 "
Total for most important production	120,000 workers

There is also a considerable need for workers for building construction.

2. Of these workers about 35,000 must be made available at once, the remainder gradually up to summer 1940.

3. A considerable proportion must be skilled workers of especially important trades, whom it is difficult to obtain; for example:

- Ship and boat builders
- Engine and ship mechanics
- Precision mechanics and precision optical workers
- Electric welders
- Coppersmiths
- Ship electricians
- Technicians and apparatus constructors

IV. Factory Facilities:

1. As the result of peacetime preparations, the naval mobilization production plan, including the former mobilization plan for new ship construction (monthly two destroyers, four torpedo boats, nine submarines, also motor mine sweepers, PT boats, mine sweepers, and steam trawlers), is being handled as far as possible in suitable available factories. In order fully to insure production, a number of projects for expansion have been introduced; they are being pursued and brought to completion at the present time.

2. On the other hand the expanded submarine construction program requires the following:

a. Requisitioning of further available factory facilities, especially for submarine engines, crankshafts and propeller shafts, torpedo discharge tubes, torpedoes, wrought iron castings, and steel castings, etc.

b. In addition further expansion and new construction of shipyards and plants for submarine production.

This requires a considerable amount of factory equipment and machine tools (heavy presses, long lathes, trepanning machines, milling machines, etc.).

3. The requisitioning of available factories as well as the expansion and new construction of plants, including the provision of the necessary machines, calls for drastic cuts in the production for the branches of the Armed Forces and other claimants which is recognized as of high priority and vital importance, and which is also designated as urgent. The available factory facilities are pretty well taken up with the present production programs of the Armed Forces; no factory facilities and machine tools of the type necessary for the expanded submarine construction program are in general available.

V. Production Schedules:

All contracts for the submarine construction program, including those placed with the widely scattered subcontractors, must be met on time. The firms must be made directly responsible for this, and clear orders must insure that no one else places any orders, supposedly based on an order of the Fuehrer, which would jeopardize the submarine production schedules set by the Navy.

Insofar as these schedules cannot be met without postponing other assignments, and the congestion has not already been relieved by restrictions on the other programs, the firms must be obliged to postpone temporarily any conflicting assignments on the orders of the Commander in Chief, Navy.

The firms will report such temporary postponements to the appropriate War Economic Inspectorate. This office, together with the agency that placed the order, will attempt to reach a compromise within the firm or to transfer the postponed order. If necessary, it will request a decision regarding further treatment of these orders from Field Marshal Goering by way of the Armed Forces High Command.

VI. Summary:

In order to carry out the submarine construction program within the time required, special orders and powers are necessary to insure sufficient quotas of raw materials, workers, and factory facilities. A draft for a Fuehrer order is enclosed. (See Annex 2.)

signed: von Fischel

Draft for a Fuehrer Order

To: Commander in Chief, Navy
 President of the Reich Defense Council
 Deputy for the Four Years' Plan
 Chief of Staff, Armed Forces High Command
 Commander in Chief, Army
 Commander in Chief, Air

1. I commission the Commander in Chief, Navy to carry out the expanded submarine construction program speedily as it was submitted to me, including the necessary supplies and all further ship construction and harbor and base installations necessary for conducting submarine warfare.
 2. The Commander in Chief, Navy will submit all requests for raw materials, workers, and factory facilities, including machine tools, needed for this purpose by way of the Chief of Staff, Armed Forces High Command to Field Marshal Goering who, as President of the Reich Defense Council and as Deputy for the Four Years' Plan, will see to it that they are met.
 3. Field Marshal Goering will make raw materials available to the Commander in Chief, Navy at the requested times. He will decide from which quotas of other claimants they are to be withdrawn; if necessary he will call for my decision.
 4. Field Marshal Goering will make available to the Commander in Chief, Navy the workers for the main contractors and the subcontractors as well as for the building construction projects. He will make them available at the time requested and from the trades specified. He will decide from which factories or assignments of other claimants they are to be withdrawn; if necessary he will call for my decision.
 5. Field Marshal Goering will make available to the Commander in Chief, Navy the requested factory facilities, as well as the necessary equipment and machine tools. He will decide in what manner the assignments thereby postponed may best be transferred and carried out; if necessary, he will call for my decision.
- The Commander in Chief, Navy is empowered to request the use of the suitable factories, equipment, and machine tools necessary for this purpose and to requisition them if necessary to carry out the submarine construction program. He will inform the Armed Forces High Command and Field Marshal Goering of such action.
6. All orders placed in connection with the submarine construction program will be marked as "Naval U-order" and will be marked with "U" in addition to the consignment number. By authority of the naval offices, the main contractor will be responsible for marking orders as U-orders in the case of subcontractors. The contractors and subcontractors are responsible for giving such orders priority over all others and for executing them within the stipulated periods.

On orders of the Navy High Command, they are obliged to postpone temporarily any conflicting orders, at the same time reporting to the appropriate War Economy Inspectorate.

7. All Reich authorities, offices of the Armed Forces and the Party, deputies for the war economy, and organizations of industry are responsible for giving unconditional support to all assignments received by them which are connected with the submarine construction program, and for carrying them out within the stipulated time. For this purpose they are authorized to disregard conflicting directives and to postpone temporarily other assignments and work of any kind on their own responsibility.

8. Naval production not falling under the submarine construction program as set forth in Paragraph 1 are subject to the priority regulations laid down in the directive of the Chief of Staff, Armed Forces High Command, W Stb 5440/39 geh. of 4 October 1939 (not included).

Report of the Commander in Chief, Navy to the Fuehrer
on 16 October 1939.

Present: General Jodl

1. A report is made regarding the operation by U "47" in Scapa Flow. The Commander of Submarines is promoted to Commanding Admiral, Submarines. The commanding officer is to come to Berlin to report and to receive the Knight's Cross.

2. The Fuehrer is given a memorandum (not included), following which a report is made regarding the intensification of naval warfare. The Fuehrer grants permission for the following measures:

a. All merchant ships definitely recognized as enemy ones (British or French) can be torpedoed without warning.

b. Passenger steamers in convoy can be torpedoed a short while after notice has been given of the intention to do so. The Commander in Chief, Navy points out that passenger steamers are already being torpedoed when they are proceeding without lights.

c. The Italian, Russian, Spanish, and Japanese Governments should be requested to declare that they will carry no contraband goods, otherwise they will be treated as other neutral nations. (Proceedings to this effect are under way.)

3. The Commander in Chief, Navy reports that the Russians have placed at our disposal a well situated base west of Murmansk. A repair ship is to be stationed there.

signed: Raeder

countersigned: Assmann

Report of the Commander in Chief, Navy to the Fuehrer
on 23 October 1939.

Present: General Keitel

1. On 16 October the Commander in Chief, Navy gave a report on the methods used by the Navy in carrying out economic warfare, and showed how it would be possible to intensify the war against merchant shipping. As the Navy is the branch of the Armed Forces most closely connected with economic warfare, the Commander in Chief, Navy begged leave to report on the opinion of the Naval Staff on the significance of economic warfare and the necessity that it be organized under strict control. A memorandum entitled "Preliminary Observations concerning the Conduct of Economic Warfare and the Creation of a Unified Command Organization" was read by the Commander in Chief, Navy (see Annex 1). The Fuehrer's authority is necessary as support for the Armed Forces High Command and for the Staff for Economic Warfare which the Fuehrer ordered set up today (see Annex 2), since political and economic departments must receive strict and uniform instructions.

The Fuehrer is in agreement and fully appreciates the significance of economic warfare apart from purely military warfare. British pressure is decisive in Belgium and Holland; Germany cannot exert pressure on these countries unless she occupies them. Pressure on the northern countries is easiest to exert. The Fuehrer will give his full authority for carrying out the necessary measures.

2. The Commander in Chief, Navy requests that the DEUTSCHLAND be left in the Atlantic, contrary to the wish recently expressed by the Fuehrer that owing to her name she should be recalled as her possible loss might be taken as a bad omen by the people. The return voyage would be more dangerous than staying in the Atlantic. If worth-while results have been achieved, she might return when the nights are long. The Fuehrer agrees.

3. The Fuehrer has been informed of the plan to allow as many neutral steamers as possible to pass through the Kiel Canal in order to have better control over them. The Fuehrer warns against sabotage. Steamers carrying cement are not to be allowed passage.

4. The attack by He 115's in the coastal waters off southern England resulted in the loss of four aircraft; this area therefore appears unsuitable for attacks. The Commander in Chief, Navy declares that conclusions have already been drawn from this experience, namely, that the anti-aircraft defenses are apparently very strong along the southern part of the coast of England. Moreover, in this case the Ju 88's which flew ahead, alerted the defenses. The Commander in Chief, Navy asks that no organizational measures be taken as is being rumored - for instance, that combined operations over the sea are being considered - for it is absolutely necessary to train and operate naval aircraft in closest coopera-

tion with naval forces. The Fuehrer declares that there is no question of organizational measures.

signed: Raeder
countersigned: Assmann

Memorandum on the Problems of Economic Warfare:Preliminary observations concerning the conduct of economic warfare and the creation of a unified command organization.

I. Allied warfare up to the present time has shown that neither Britain nor France is inclined to make any large military and economic sacrifices in this war. The recent evidence of the potentialities of our submarines and our Air Force confirm Britain's desire not to sacrifice still more and perhaps to jeopardize her empire by taking military and economic risks. Consciously foregoing any dangerous armed action, Britain and France are both confining themselves to economic warfare and a war of propaganda. Their methods have the single purpose of cutting Germany off from all trade connections, while avoiding any losses of their own. An elaborately constructed and ruthlessly executed blockade and control of trade, combined with extreme political and economic pressure, prevents the neutral countries from pursuing their regular commercial traffic and compels them to support British economic warfare against Germany. The British methods of economic warfare thus oblige the German authorities to create a determined defensive and offensive front and to adopt the same type of brutal economic warfare.

The necessity for total economic warfare is generally recognized, to be sure. However, since a war against Britain and France was not expected before 1944-45, we did not make any of the necessary preparations, and in no way organized the needed economic and military measures.

In the present preliminary stage of the war against Britain, the preparatory measures which were not executed in peacetime can now be carried out quickly and openly by taking advantage of the present predicament of the neutral nations. Thus we may hope to regain the time lost.

II. In economic warfare, the political and economic considerations as well as the military measures for warfare on land, sea, and in the air form an inseparable whole. It is absolutely necessary that there be a common, responsible command, uniform leadership and a single, clear recognition of all the major problems of economic warfare, and of the measures required for their solution. In view of the numerous aspects of economic warfare, real success in striving for the common goal can be achieved only by coordinating the work in all sectors and by centralizing responsibility and leadership at one point.

It must be realized that in a war against Great Britain the problems of economic warfare will concern the Navy more than anyone else. The Navy, above all, must execute the operations dictated by economic

warfare. Naval measures are affected most directly by political and economic demands. The strategic goal of offensive naval warfare, which is to paralyze the enemy's war economy by cutting off his supply lanes, as well as the defensive task of protecting our own supply lanes, fall unmistakably within the province of economic warfare. Thus naval warfare must be considered a part of economic warfare. This part is of considerable importance, since there is scarcely a problem of offensive or defensive economic warfare which does not directly and vitally concern naval warfare. Therefore it is natural that the Navy, already in peacetime, concerned itself extensively with the whole field of economic warfare. For practical reasons alone, the Navy is absolutely justified in desiring to establish closest contact with the other authorities involved in the conduct of economic warfare, and in desiring to exert considerable influence on the conduct of this type of warfare.

The actual conduct of economic warfare and the coordination of all efforts must, however, remain the sole responsibility of that office which is responsible for the conduct of the war as a whole, i.e., the Armed Forces High Command.

III. The aims of economic warfare are clearly indicated:

1. To protect and develop the resources of the German people for the purpose of guaranteeing that Germany can continue the war indefinitely.

2. To paralyze the enemy economy and to sever the enemy's economic connections with other nations, so that his will to fight will be broken within the shortest possible time, and he will be forced to seek peace.

The mainstays of economic warfare are the following:

- a. Politics (and propaganda)
- b. Economy (and finance)
- c. Armed Forces (and sabotage)

Uniformly set up and directed, these three mainstays of economic warfare are under obligation to the German people to employ their political, economic, and military weapons with ruthless severity in absolute mutual agreement and cooperation.

Concerning a. Employment of political weapons: The methods with which Britain forced economic warfare on her dominions and on the neutral countries are obviously of a political nature. Being well aware of the fact that any military pressure is all the more successful if preceded or accompanied by political and economic pressure, Britain exerted a unique political influence on all neutral nations so as to make her initial position with respect to Germany as favorable as possible. The demand for exploitation of all political possibilities for the purpose of making economic warfare as effective as possible dominate also all German considerations. Political influence must extend to all neutral states which have

any direct or indirect trade relations with the enemy as well as with the Reich.

The nature and degree of the political pressure will depend on the following:

(1) On the geographical and economic situation of the neutral nation concerned and on its power of resistance, as well as on the mentality and the internal political conditions of the various nations.

(2) On the character of the German economic connections with the nation and on the extent to which our war economy depends on this nation.

The influence of the political requirements and conditions on economic warfare is of decisive importance. All ensuing military and economic measures receive their initial impetus and their potentiality from the political sector.

The political measures should be founded upon large-scale and uniformly conducted propaganda and should be supported by planned propaganda attacks. These must furnish definite slogans which should all be directed towards the goals of economic warfare, which are as follows:

 Weakening of the enemy economy.

 Promotion of our own economy.

 Creation of a united front of all neutral countries against the enemies of Germany.

 Economic and financial isolation and cultural boycott of the enemy.

 Crippling of enemy production by the support of strike movements.

Concerning b. Employment of economic weapons: It is the task of our economic authorities to recognize how the political and military demands will affect our economy and what opportunities exist for disrupting the enemy's economy, and thereupon to instigate the necessary defensive and offensive measures on a broad scale.

The ultimate aim is the following:

(1) To stop entirely all commercial traffic of neutrals or allies of the enemy with Britain and France.

(2) To reorganize trade relations in the entire European economic area with the exclusion of Britain and France, for the purpose of establishing a German war economy which will be capable of supporting the war indefinitely.

The continental blockade against Britain, envisioned by German economic policy as the result of the above aims, must consist in an absolutely watertight commercial blockade within the area of the German political, economic, and military sphere of influence. Combined with ruthless naval warfare against merchant shipping, this can be accomplished only through a complete change in the economic relations of the neutral countries. These must establish new trade connections with Germany and with other neutral states, while their current trade with Britain and France is stopped. This reorganization requires the direction and the far-reaching organizational support of Germany. In view of the attitude of the neutrals to the enemy states, to the other neutrals, and to Germany, it will result in a completely new order in European trade relations and this must serve to bring the German and the neutral interests of the entire European area into harmony. This new order should not be considered an emergency measure meant merely for the duration of the war, but it should be a permanent institution.

The attitude of the neutral nations toward the war and toward Germany must be changed completely by clear and definite directives and by measures on the part of Germany. More than ever before it must be driven home to the neutrals that they can never emerge from this war as laughing victors in the face of an economically destroyed or weakened Germany. This is a war of the entire European economic area, and in this war the fate of all the neutral states of Europe, especially the Scandinavian and Baltic states, is inextricably linked to the fate of Germany in victory as well as in death.

Concerning c. Employment of military weapons: The scope for activity in the military phase of economic warfare is very different for the three branches of the Armed Forces. Whereas the Army will have only occasional and limited opportunities for action, the Air Force will be charged with decisive tasks in attacking important industrial installations, commercial centers, and bases, as well as trade communications by land and sea. For the Navy, economic warfare clearly means warfare against merchant shipping. Its extent, possibilities, intensification, and effects are explained in the memorandum on intensified naval warfare against Great Britain. As long as the political situation does not require a sudden change to the most severe and ruthless type of warfare against merchant shipping, we may expect to intensify such warfare bit by bit, corresponding to the procedure of British economic warfare.

IV. All measures hitherto taken by the Navy have complied with the strategic requirements of the situation at the time in question. When taken out of the framework of an organically constructed and uniformly directed economic war, they therefore represent only incomplete fragments with more or less satisfactory chances for success. The Navy's means for achieving real success will remain inadequate as long as they are not supported by all available political and economic weapons of economic warfare. A vigorous economic offensive with a complete concentration of all political and economic weapons must support the slow, often fumbling attempts of the naval command in warfare against merchant shipping. The organizations, commissions, and workers' groups which grew up gradually as

necessity demanded without any over-all recognition of the significance and the problems of economic warfare as a whole, must now be unified under a new control organization with definite objectives which operates according to the directives of the Fuehrer. This organization should aim for the best possible execution of economic warfare, having the ultimate goal of obtaining a complete concentration of all political, economic, and military measures on the requirements of economic warfare.

V. The Naval Staff considers that the best organizational solution for a unified command of economic warfare lies in the creation of a "Commission for Economic Warfare" under the Armed Forces High Command. In order to make sure that the Navy will have a decisive influence on those problems of economic warfare which touch on the vital interests of the Navy, the Naval Staff believes that this commission should be headed by an admiral. The "Staff for Economic Warfare" of the Armed Forces High Command should be incorporated into the "Commission for Economic Warfare". Aside from the experts of the Armed Forces High Command and of the branches of the Armed Forces who are constantly occupied with this work, this commission is to include responsible representatives of the section on economic policy in the Foreign Office (Ambassador Ritter's section), of the Deputy for the German Economy, and of the Food, Finance, and Transportation Ministries.

Furthermore, in order to assure uniform execution and treatment of all major command problems of economic warfare, a committee will be formed within the commission, in which the Deputy for the Four Years' Plan, the Foreign Minister, the Deputy for the German Economy, and the Commanders in Chief of the branches of the Armed Forces will be represented.

signed: Assmann

Berlin 23 October 1939

The Fuehrer
Supreme Commander of the Armed Forces

The war against merchant shipping and all other measures for attacking the economic installations, resources, and trade connections of the enemy nations are to be directed uniformly by the Armed Forces High Command according to my orders.

The Chief of Staff, Armed Forces High Command will appoint a staff for the comprehensive treatment of the problems arising therefrom and for preparation of my decisions.

The Deputy for the Four Years' Plan, the Foreign Minister, the Deputy for the German Economy, and the Commanders in Chief of the branches of the Armed Forces will be represented on this staff.

The Chief of Staff, Armed Forces High Command will issue the necessary orders for carrying out these plans.

signed: Adolf Hitler

Handwritten note: On the basis of this order of the Fuehrer, Admiral Schuster is assigned to the post of Chief of the Special Staff for Economic Warfare in the Armed Forces High Command. Captain von Weichold is to be Chief of Staff.

The Change of Fleet Commanders October 1939.

In peacetime the organizational setup of Groups West and East was generally recognized as correct. According to the instructions from the Commander in Chief, Navy, they were to take over the operational control of naval warfare in the west and the east, while Naval Commanders West and East, subordinate to them (the Fleet Commander in the main theater of war), were to deal independently with the tasks at sea assigned to them by the respective group commander. Since the whole communications service constituting the basis for operations was concentrated at the Group Command, whose duty it was to inform the Naval Commanders, the latter could operate freely at sea without being tied to the port or the telephone, as was the case with the Fleet Command during the World War. At the same time there was no longer the necessity for the Naval Commanders at sea to communicate by radio with the units under their command before making contact with the enemy, thereby revealing their position, as the Group Command took over transmitting information from its fixed position on the mainland.

Since a flare-up appeared imminent primarily in the east, Group East was set up first and provided with the necessary personnel. As the Fuehrer did not anticipate complications in the west until much later, for the beginning only one person, Captain Wever, was appointed in 1939 to the staff of the Commanding Admiral, North to work on the preparation of Group West. The Fleet Command repeatedly declared that it was not in a position to carry out the work of preparation. Moreover it was desired that the Fleet Command should be fully available for commanding the naval forces in both theaters of war, so long as it was not clear where the focal point of naval warfare would be. When the political situation in relation to the Western Powers became more threatening at the beginning of summer 1939, I ordered that the staff of Group West be set up under the Commanding Admiral, North Sea Station, Admiral Saalwaechter. The latter carried out the preparatory work for warfare in the North Sea very energetically and worked to my entire satisfaction from the first day of the war on.

Group East also fulfilled its duties to the fullest extent. After the termination of the Polish War there were only two tasks to be carried out in the Baltic: The war against merchant shipping, and preventing enemy submarines from penetrating into the Baltic. It appeared expedient therefore, for the purpose of economy in personnel, to combine Group East with the Commanding Admiral, Baltic Sea, and to place only two officers at his disposal as operational group; this number could be increased at any time, should the need arise. The Commanding Admiral, Defenses, Baltic could carry out the duties of Operational Commander at the same time; he remained in Swinemuende.

In the west from the beginning there were difficulties in the relations between the Fleet Commander, Admiral Boehm, and the Group Commander, though Admiral Boehm had accepted the organizational setup as such. He thought, however, that he himself had claim to

the position of Group Commander. To be sure, he was well fitted operationally for the task and had directed the fleet well in peacetime. In addition, the organization of the Group was conceived originally for a war at a later date, for which we should have had a much larger fleet, the training and control of which would have utilized the Fleet Commander and his staff to a far greater and more satisfactory extent. Since the organization was accepted as satisfactory, however, I could not possibly allow a change just at the outbreak of the war, especially as Admiral Saalwaechter had directed and carried out the difficult operations at the beginning of the war in an excellent manner. I found an opportunity to speak to both, and I appealed to them to set aside their personal differences. Admiral Saalwaechter complied without further ado. Admiral Boehm, who finds it difficult to keep his personal dislikes from interfering with business, and who certainly must have suffered under the existing situation, promised me in Kiel (at the time of the address to the submarine personnel) to do his utmost to insure a smooth functioning of the organization. I took this opportunity to point out to him that according to my information the Fleet Staff was complicating the situation by the way in which it worked with the staff of the Group Command, and that rumors to this effect were leaking out from the Fleet Staff. I asked him to have a talk with the Fleet Staff. I was convinced that without this attitude on the part of the Fleet Staff, the First Staff Officer of which was particularly disposed to criticism, the situation would not have become so serious. In order to make the position of the Naval Commander as unequivocal as possible, and to ensure as far as possible his having influence on the execution of operations, I issued an order on (date not supplied) according to which the Naval Commander has the right to voice his misgivings concerning training and equipment of his forces at any time with the Group Command, and to submit his own proposals for operations. At the same time I authorized the Chief, Officer Personnel Division to inform the Fleet Commander that it was planned to appoint him Group Commander, West at the end of the year, particularly as I was considering Admiral Saalwaechter for a position in the Naval High Command.

Following this there were repeated differences of opinion between the Group Commander and the Fleet Commander regarding details concerning the execution of operations; when these were submitted to me for a decision, I was always obliged to decide in favor of the Group Commander. The last incident of this kind occurred in connection with the mine-laying operation by destroyers in the Humber. The Fleet Commander wished the six destroyers, which were approximately seventy miles from the coast of England, to be met at dawn by cruisers and the two battleships. These were to cruise during the day west of the German danger zone, in other words close to the enemy coast. The Group Commander, on the other hand, intended the destroyers to be met at dawn by units of the Air Force. The latter proposal was undoubtedly the correct one; the Fleet Commander's proposal repudiated all the experience of this war; it would have been correct during the World War. Moreover, it was contrary to the opinion held by the Fleet Command so far, and approved by me, that the heavy forces should be disposed, trained, and operated as far away as possible from the British Air Force.

This matter attained special significance because the Fleet Com-

mander considered it necessary to state in the operational order that the destroyers were not to be picked up at dawn by cruisers, etc., instead of stating that they were to be picked up by units of the Air Force. Apart from the fact that this formulation probably had a bad effect on the morale of the crews, it must have seemed like a "demonstration" or a criticism of the Group Commander's measures and of my decision. The effect of this was crushing for me as well as for the Staff, Naval Staff. I sent the Chief of Staff, Naval Staff to the Fleet Commander with the following message:

1. I did not suppose that this was meant as a "demonstration"; had I done so I would at once have asked for his removal.
2. I requested him to substitute for the offending paragraph in the operational order words such as "to be picked up at dawn by units of the Air Force".
3. I would relieve his First Staff Officer, Captain Weichold, of his duties.

Although I strictly conform with the viewpoint that the commander is responsible for whatever he signs, and not the staff officer, I purposely took this step because I knew that the First Staff Officer was the cause of the trouble in the Fleet Staff. Admiral Schniewind returned with the following answer:

1. No "demonstration" was intended.
2. The Fleet Commander is answerable for the Staff Officer and must ask to be relieved of his duties if the Staff Officer is dismissed. He requested confirmation of my decision.

This was done the same day. A teletype message was sent to the effect that Captain Weichold would be replaced by Commander Brocksien and that further changes would follow. Thereupon, letters were received from the Fleet Commander and his Chief of Staff, Captain Kummetz, requesting to be relieved of their duties. Knowing the intentions of the Fleet Commander, I suggested to the Fuehrer that Boehm should be replaced by Vice Admiral Marschall, and that Captain Backenkoehler be appointed Chief of Staff. In my opinion Captain Kummetz had failed; since he was aware of the Fleet Commander's personal idiosyncrasies, it was his duty to compensate for them and to keep the Fleet Staff in hand.

Even if Admiral Boehm denied having intended a "demonstration", it is still obvious from Captain Weichold's statement to the Chief of Staff, Commander Schulte-Moenting, that the objectionable wording did not somehow slip into the order and was overlooked on reading it through; on the contrary, it was discussed in detail just how one could put the thought into the order. In view of this it is impossible for me to keep the Fleet Commander either in his present function or as Group Commander, West. I asked Admiral Carls whether, if he were appointed Commander in Chief, Navy, he would work with Admiral Boehm. He suggested - evasively - that the latter should be sent on a mission to Italy or Russia.

signed: Raeder

Berlin 1 November 1939

Commander in Chief of the Navy

Conference Notes

1. The SCHARNHORST and the GNEISENAU are to be ready for action throughout November and then from 1 January 1940 on; in the intervening period they will be docked for repairs. The pocket battleship GRAF SPEE has reported her intention to break through into home waters in January 1940 for engine overhaul. The Fuehrer has repeatedly emphasized the fact that the DEUTSCHLAND should be recalled because of her name. In the North Atlantic the pressure from British forces is increasing, and in the long run evasion is far more difficult there than in the South Atlantic, the Indian Ocean, or the Pacific. It appears correct, therefore, to recall the DEUTSCHLAND in November, while the nights are dark and the battleships are ready for action (12 to 19 November). It would be wrong, though, to undertake any offensive action with the battleships during the time of the break-through, as this would merely lead to a concentration of British forces in the northern North Sea. It is important, on the other hand, for air reconnaissance to operate as far out to sea as possible; the DEUTSCHLAND must pass through the main channels by night and unexpectedly. Submarine escort must be sent out at the last moment. The battleships, cruisers, and destroyers must remain in full readiness. Submarines are to provide protection in a flanking position. The return of the DEUTSCHLAND must be kept secret as long as possible; the impression must be given rather that the pocket battleship is continuing operations in the North Atlantic to relieve the GRAF SPEE.

In accordance with the wishes of the Fuehrer, the DEUTSCHLAND is to be named LUETZOW on her return. (LUETZOW is to be placed at the disposal of the Russians.)

So as not to complicate matters, the WESTERWALD is not to return with the DEUTSCHLAND. She will receive instructions later.

On 22 October the GRAF SPEE was told to consider proceeding unexpectedly far into the Indian Ocean, should enemy pressure in the South Atlantic become stronger.

In my opinion renewed operations by pocket battleships are possible only if Italy enters the war and British Mediterranean forces, at present operating on the high seas, are held down in the Mediterranean.

2. At present, submarine warfare against enemy shipping has been intensified as much as possible. Even passenger steamers proceeding without lights and in convoy may be torpedoed without warning. All that is lacking now is the declaration of a state of siege against England, in which case neutral ships could also be torpedoed without previous warning once the neutral states have been notified. As a result of consultations, the Commander

in Chief, Air will give orders for action to be taken without warning by the Air Force against merchant ships sailing in convoy. This is entirely in accordance with international law. The moment for the declaration of a state of siege will depend on the political developments in the near future and on the time and nature of Army operations. Should these violate the neutrality of neutral states, then the appropriate moment for the most drastic measures on the part of the Navy has also come.

3. The submarine construction program has not yet been given priority by the Fuehrer, as the replenishment of Army equipment and ammunition supplies is of prime concern at the moment. The extensive construction program is not possible with the present allocation of steel, metals, and labor. The question will be reconsidered in December. In order to carry out the large-scale submarine program, continuous pressure will be necessary.

signed: Raeder

countersigned: Assmann

Report of the Commander in Chief, Navy to the Fuehrer
on 10 November 1939.

Present: General Keitel
Lt. Commander von Puttkamer

1. The situation in the Baltic Sea and the North Sea; negotiations with Sweden on the question of the three mile limit; the plan to close the southern part of the Belts in friendly agreement with Denmark.
2. Mine-laying operations off the English Coast; charts showing the main barriers and the successes so far are examined. Further plans are discussed.
3. Submarine warfare. Recent developments. Six submarines are known to have been lost up to now. That means that the replacements which should still be delivered in 1939 have already been exhausted. New instructions from the Commanding Admiral, Submarines and lessons from previous experience give rise to the hope that losses will decrease.

The question is raised whether the proclamation concerning the intensification of submarine warfare should be made to the neutral countries simultaneously with the beginning of a land offensive, so that any protests will coincide with other and possibly sharper protests on the part of the neutrals, thus attracting less attention in the world. The Commander in Chief, Navy suggests putting off the proclamation for the time being, and instead continuing gradual intensification step by step. Such a statement is at the present time all the more unnecessary as the Americans have of their own accord declared a closed area around England and France for their ships, whereby clashes with the strongest neutral are eliminated. (See Annex 1.)

As the next step the Commander in Chief, Navy suggests sinking enemy passenger steamers without previous warning. These are often heavily armed, transport troops, and carry valuable contraband. These vessels are known to be armed; there are photographs proving it. The Fuehrer agrees, provided that the names of the large steamers concerned are made known previously and it is stated that they were being used as auxiliary cruisers and troop transport vessels.

As a later step the Commander in Chief, Navy suggests sinking without warning neutral steamers which we definitely know are loaded with contraband, and whose points of departure, times of sailing, and routes are known to us, e.g., Greek steamers. The proposal of the Commander in Chief, Navy will be brought up for consideration as soon as there is any change in the attitude of neutral countries, for example in the event of an offensive. The policy of not molesting ships belonging to friendly nations, i.e., Italy, Japan, Russia, and Spain, is to be continued in the future. Intelligence and control organizations are to be set up in neutral ports (see Annex 1, Paragraph B, d).

4. Political items.

Italy: If it is taken for granted that Italy will enter the war reasonably soon, should the most important military secrets (torpedoes and mines) be surrendered to them? The Commander in Chief, Navy suggests not until Italy actually enters the war. The Fuehrer is of the same opinion.

Russia: Negotiations are proceeding satisfactorily; however, deliveries of ship's equipment cannot be made at the expense of Armed Forces quotas. The Fuehrer and Chief of Staff, Armed Forces High Command state that such deliveries are to be made only from export quotas.

Japan: In answer to the statement of the Commander in Chief, Navy, the Japanese Naval Attache has reported the following from the Japanese Admiralty: Japan will not enter the European war, but the Japanese Navy will support the German Navy in accordance with the negotiations of 1938. Germany is asked to make definite requests soon.

The Commander in Chief, Navy suggests requesting that German auxiliary cruisers and submarines be permitted to put into Japanese bases, and also that Japan cede to Germany several submarines for warfare against Great Britain in Eastern Asia. The Fuehrer agrees.

The United States: The CITY OF FLINT case has been mismanaged, as the result of the behavior of the boarding officer who put into port at Tromsø and Murmansk, but above all owing to the fact that the Vice Consul stopped the prize at Haugesund. As matters stand at present, it appears advisable to allow the CITY OF FLINT to return to the United States unmolested, as the United States desires to avoid entanglements by declaring its own closed areas, and nothing is to be gained by reconfiscation. Submarines are deployed as required in case confiscation is desired. The Fuehrer agrees with the Commander in Chief, Navy; no further action is to be taken against the CITY OF FLINT.

5. The situation regarding the DEUTSCHLAND and the GRAF SPEE and future plans for these ships are discussed.

6. The Fuehrer asks the Commander in Chief, Navy whether the Navy has any particular wishes in connection with bases on the Dutch-Belgian coast. The Commander in Chief, Navy replied in the negative, as the bases lie too close to the coast of England and are therefore impracticable as submarine bases. If Den Helder were occupied it could be of occasional use as a base for light forces, although this would shorten the route to the English coast but little as compared with that from Borkum and Emden. The occupation of the Belgian and northern French ports is of importance only if British troop transports were thereby diverted further to the south and so more exposed to German countermeasures at sea such as submarines and mines.

General Keitel points out that it might be necessary to safeguard Belgian ports by means of coastal batteries.

Annex to the Report of the Commander in Chief, Navy to the Fuehrer on 10 November 1939.

I. Proclamation:

A new situation regarding the necessity for making a proclamation has been created by the declaration of a closed area for American merchant ships in the European area. By intensifying naval warfare against Great Britain, practically the same results can be achieved as were intended by the proclamation.

The need and time for issuing a proclamation can be determined only in accordance with the plans for the general war strategy.

II. Measures for intensifying the war against merchant shipping:

A. Present situation:

1. Not yet affected by the drastic measures against merchant shipping (sinking without warning):

a. All neutral merchant ships sailing alone or in neutral convoys.

b. Passenger steamers sailing alone (even if armed) which are capable of carrying a large number of passengers.

2. Exempt from capture up to now:

a. Merchant ships belonging to friendly neutrals: Italy, Spain, Japan, and Russia.

b. All neutral ships sailing alone to enemy ports which are not carrying contraband and are behaving correctly.

c. All neutral ships sailing from enemy ports with any type of cargo.

B. Suggestions for further intensification:

Intermediate measures leading up to the most drastic methods:

1. Permission to sink all enemy ships, including enemy passenger steamers, since they are armed and are used as troop transports.

2. Continuation of methodical mining of British harbors and approaches.

3. Concentrated attacks on the main enemy ports of entry by the operational Air Force.

4. These military measures should be supported by setting up an Intelligence and Control Organization in neutral ports, and by exercising the strongest possible political and economic pressure on the neutral countries for the purpose of interrupting their trade with Great Britain.

C. Further possibilities, at present inadvisable:

1. War according to prize law against Italian, Spanish, Russian, and Japanese merchant ships.

2. Sinking without warning all neutral ships proved to have contraband for England on board.

Report of the Commander in Chief, Navy to the Fuehrer
on 22 November 1939 at 1500.

Present: General Keitel
Lt. Commander von Puttkamer

1. Baltic: Agreement with Denmark and Sweden concerning the closing of territorial waters in the southern approaches of the Belts and the Sound.

Attacks by Swedish patrol forces on German naval forces engaged in the war against merchant shipping in the Sound and the Aland Sea. The Fuehrer is in favor of drastic measures.

2. North Sea: Mining operations by destroyers; good results. Destroyers laid 540 mines off the Thames and the Humber.

Submarines laid mines on the east and the west coasts. Up to now submarines have laid 150 mines.

In three nights planes laid seventeen mines in the Thames, twenty four off Harwich, and thirty six in the Humber. Direct and indirect effects of mine barrages are discussed: they are a strong deterrent to neutrals, and incoming traffic is delayed and diverted. Freight rates and insurance premiums are going up.

3. Losses of enemy and neutral merchant shipping from 8 to 21 November 1939 are reported as follows:

As a result of submarines	16 ships	{ 9 British }	48,195 BRT
" " " " mines	18 "	{ 8 British }	66,150 BRT
" " " " pocket battleship	1 "	{ 1 British }	780 BRT
	35 "	{ 18 British }	115,125 BRT
As a result of submarines or mines, not yet confirmed	10 "		52,626 BRT
Total	45 "		167,751 BRT

4. The suggestion is made to declare a mine area on the north-west coast of Britain on 1 December 1939. The Fuehrer agrees. (See Annex 1.)

5. The Commander in Chief, Navy inquires about future political and military developments to justify a further intensification of submarine warfare. The Fuehrer remarks that the coming offensive will give rise to protests from the enemy and neutrals alike; nevertheless it is to be carried out with the utmost intensity as soon as the weather permits. It must be decided after the beginning of the offensive whether the naval war is then to be intensified.

6. The return of the DEUTSCHLAND and the GRAF SPEE are discussed. The LUETZOW is to be sent out again in January. Auxiliary cruisers are to be sent out.

7. Operations of the GNEISENAU and the SCHARNHORST are scheduled for 21 to 27 November 1939.

8. Economic warfare. It will probably be necessary to call off the German-Danish agreement, because Denmark is supplying food-stuffs to Britain; further, if Britain takes action against German exports in neutral ships, appropriate action will be taken against British exports, for example, export of coal to Scandinavia and Denmark. In this way our export of coal to these countries would be promoted, which would, to some extent, counterbalance Britain's action.

The Fuehrer agrees to this. If necessary, these steps may be taken without further consultations with him. The Chief of Staff, Armed Forces High Command asks that this question be referred to Admiral Schuster for investigation. The Commander in Chief, Navy concurs.

9. A survey of the planned submarine construction program is given by the Commander in Chief, Navy, who points out, however, that this program can be carried out on the scale necessary only if the demands for material, facilities, and labor are fulfilled. The Armed Forces High Command had agreed to renew inquiry into this matter in December. (See Annex 2.)

10. The Commander in Chief, Navy remarks that owing to their great inferiority, the naval forces are dependent to an enormous degree on adequate expansion of the naval air forces. Up to now this has not been approved to the extent agreed upon by the Commander in Chief, Air as regards the numbers of units and types. Negotiations are still in progress. The Commander in Chief, Navy requests the Fuehrer's support already now, in case justified demands are not fulfilled.

11. It may be expected that Japan will agree to let Germany have submarines and to permit using Japanese bases. Italy will be asked for submarines once more as soon as her attitude is clarified more. It seems to be crystallizing by degrees, as witnessed by the note to Britain concerning the molesting of Italian merchant ships. Estonia and Latvia cannot be asked for submarines, as Russia could easily take this to be an encroachment on her sphere of interest. The Chief of Staff, Armed Forces High Command again advocates getting submarines from Russia. The Fuehrer once again refuses, as he is convinced that the Russian ships are in poor condition and that the Russians, who, moreover, must not be allowed to see any of our weaknesses, would in no case consent to give us submarines.

12. The Fuehrer gives permission for a press release on mine warfare.

signed: Raeder

countersigned: Assmann

Declaration of a Mined Area off Scotland.

I. Plan: For the purpose of effectively paralyzing traffic proceeding to the east coast of Britain, it is intended to declare a mined area off the Scottish coast. In this area our own submarines will be able to sink ships without warning, and it will appear that they struck a mine.

The declaration of this mined area is ostensibly purely a preliminary measure for the purpose of combatting enemy military operations, and not of disrupting neutral shipping. It is planned to extend the area southwards up to the British declared area soon after our first announcement.

II. Execution of the plan: On 1 December 1939 the following announcement will be made by radio as a warning for shipping: "The German Government hereby gives warning that, in the course of operations against British forces and bases on the east coast of Britain, mines have been laid in an area bounded on the north by the latitude of Kinnaird's Head up to 00° 30' W, on the south by the latitude of St. Abb's Head up to 10° 30' W, and on the east by the line connecting the above points."

Mines will not actually be laid there at present. The Commanding Admiral, Submarines will be given permission to operate accordingly beginning 2 December 1939. The submarines are to keep out of sight in accordance with the principle of the plan.

<u>Survey of the Planned Submarine Construction Program</u>						
Date	Additional submarines	Total submarines at beginning of month	Submarines withdrawn for training purposes	Boats at disposal of Com. Ad., Submarines	Boats operating against enemy	Total submarines at 10% loss end of month
Nov.39	1	57	12	45	15	52
Jan.40	2	52	18	34	11	49
Apr.40	3	51	24	27	9	48
Jul.40	5	51	37	14	5	50
Oct.40	6	63	42	21	7	61
Jan.41	13	88	55	33	11	85
Apr.41	18	113	55	58	19	107
Oct.41	26	191	75	116	39	179
Mar.42	27	253	75	191	64	245
Oct.42	29	312	75	237	79	288
Mar.43	29	334	75	259	86	308
Jul.43	29	347	75	277	91	320

Outline for the Conference of Department Heads
on 25 November 1939.

Information about the most important developments in the international situation. Evaluation of the military strength of our western enemies, and the Fuehrer's decisions in view of the overall situation. This information is only for present company. It may not be communicated to lower departments.

1. Russia: She is at present not capable of action, and, as long as Stalin is in power, it is certain that she will adhere strictly to the pact made. It is not expected that there will be any great activity against Britain, Turkey, etc. Extension of her zone of interest in Persia (Persian Gulf) is possible, and will be supported by German foreign policy. Her political attitude may change after years of building up her internal strength, particularly if Stalin is overthrown or dies.

2. Italy: The Duce is adhering to his plan of building up a large Roman Empire. As soon as Germany's military situation appears more favorable, it is expected that Italy will come in actively on the side of Germany. The only followers of this policy are the Duce and his Fascists. The royal family with their followers are opposed. In case the Duce should die, a change in policy and an anti-German attitude may be expected.

3. Scandinavian Countries: They are at present neutral under German-Russian pressure. The socialistic parliamentary governments in these countries are in themselves enemies of National Socialism. If Germany's situation deteriorates, their attitude may be expected to alter.

4. Countries in the Southeastern Area: They are neutral under Russian pressure, and are also willing to cooperate economically to a large extent. The attitude of Yugoslavia is determined by that of Italy.

5. Holland-Belgium: With the exception of the Flemish section of the population, there are strong sympathies for the Western Powers. They are at present strictly neutral under German pressure. If the military strength of Britain and France increases and if Germany's position deteriorates, their neutral attitude can definitely be expected to change in favor of the Western Powers.

6. Great Britain: She is determined on a war of extermination against Germany. At present she is not sufficiently armed.

The Army, is not yet appreciable in numbers, is insufficiently trained, and has no modern equipment.

The Navy is capable only to a limited extent of maintaining supply routes from overseas, since it was disarmed considerably after the last war. Expansion of the fleet is not practically possible until 1941.

The Air Force, including the French Air Force, is at present inferior to the German Air Force offensively as well as defensively.

7. France: She has a fairly well-trained army (nine months training), but it is not equipped for modern warfare. Guns and ammunition are for the most part still from supplies of the last war.

The Navy has been built up to a fair strength for the protection of overseas possessions. Both Western Powers may be expected to increase their strength soon with equipment from overseas. In one to two years they will be equal to Germany in armament.

8. Conclusions: At present there is definite military superiority on the part of Germany. Germany has no military obligations in the East. For the first time in fifty years a war on one front is possible.

If Germany takes a defensive attitude, her situation will gradually deteriorate not only from the military point of view but also in foreign policy. Victory can be achieved by offensive action alone.

9. Decision: By means of offensive action in the west and an advance into the area of the French Channel coast, we must seek to obtain favorable strategic bases for an offensive war against Britain by submarine, mine, and plane. By extending the north German front to the west, the Ruhr - the "Achilles heel" of the armament industry, can be defended. Neutrality questions are irrelevant in case of victory.

10. The Fuehrer expresses his special appreciation of German naval warfare.

Report of the Commander in Chief, Navy to the Fuehrer
on 8 December 1939.

Present: General Keitel
Lt. Commander von Puttkamer

1. Situation in the Baltic Sea:

A protest is being made by the Foreign Office about the Swedish-Finnish mine field in the Aland Sea, as it interferes with the war on merchant shipping.

Patrol boats have been lost in the Belt mine fields.

2. Situation in the North Sea:

Destroyer operations took place off Cromer on the night of 6 December. One British destroyer was torpedoed. Further plans are discussed.

Aircraft operated on the nights of 6 and 7 December over the Thames, the Humber, and the Downs. Losses sustained were reported.

British counteraction: Attacks were made on Borkum and Heligoland.

Submarine operations: Mine fields have been laid along the east, southeast, and west coasts. Further plans are discussed.

War against merchant shipping: U "26" is en route to the Mediterranean. There is pronounced activity along the northeast coast; therefore it is not yet necessary to declare a danger zone off Kinnaird's Head.

Convoys from Norway to the Shetlands are under attack. Attacks on the Halifax and Freetown convoys are planned for later.

The voyages of the U "47", U "37", U "34", and U "49" are reported on.

TMC mines and new firing devices are discussed.

3. Operation of the battleships 21 to 27 December:

A report is made on the execution and result of these operations. Pressure on the GRAF SPEE has let up due to the uncertainty of the whereabouts of the DEUTSCHLAND, leading to extensive measures in the North Atlantic.

Plans for January are discussed.

4. Plans for operations of the GRAF SPEE are discussed.

5. Return of merchant ships. Losses and danger of internment in Dutch ports. The return of the BREMEN is discussed. No ships are

to be sold.

6. Economic warfare:

a. The British "order in council" of 28 November 1939 is a violation of the Paris declaration of 1856 and a threefold violation of international law. Counteraction will be necessary as soon as neutral protests, combined with German propaganda, have had time to take effect - not too late, about the middle of December.

If intensive economic warfare (a siege) is planned only in conjunction with general intensification of warfare (an offensive), as the Fuehrer has confirmed, a law altering the prize regulations to correspond with the "order in council" will have to be considered. A suggestion will be made after the report of the Special Staff, Commercial and Economic Warfare.

b. The British intend to buy ships from neutral powers. A note from the Foreign Office is planned to the effect that if any neutral sells her ships to Britain, all ships of that power will be treated as enemy ships.

c. Danish deliveries of foodstuffs to Britain must cease; the agreement must be broken off. (Negotiations are planned.) A concentrated effort must be made to cut off Britain, so that the war will be shortened. In this way the difficulties of the Ministry of Food will also be indirectly decreased.

d. Transport via Sweden and Norway over Trondheim to England is extremely active. Points of departure from the Norwegian coast are very numerous and therefore difficult to control. It is important to occupy Norway. The northern countries should route their exports to Germany, among others.

e. The urgent need for the Air Force to concentrate its attacks on convoys is discussed. The Fuehrer will work in this direction.

7. Operation "Gelb":

Destroyer operations can begin during the first night. Naval plans for defense of the coast are reported on.

8. The effect of the Finnish war on Italy and Spain is discussed.

9. The Japanese have replied that no submarines will be available; further conferences are to be held with regard to supply and communication service. The relations between America and Japan are discussed.

10. The Fuehrer advises to delay somewhat the embarkation of Italian officers aboard submarines, but he has no fundamental objections.

11. The question of a temporary delay in the production of heavy

naval ammunition: A four month's delay could barely be coped with, but no more. (See Annex 1.) The Chief of Staff, Armed Forces High Command says a longer delay is not intended. In three months the Commander in Chief, Navy will make inquiry.

12. The submarine construction program will be delayed, since for the first quarter of 1940 only 140,000 tons of iron are available instead of 170,000 tons, and there is a substantial decrease in other metals.

The Chief of Staff, Armed Forces High Command says the iron situation will probably improve beginning the second quarter of 1940; the quota for other metals has just now been substantially increased.

13. Sales to the Russians:

The Fuehrer decides that sale of the SEYDLITZ and the PRINZ EUGEN is to be refused, also sale of the turrets of ships "H" and "I". Sale of 20 cm. guns intended for the LUETZOW is to be put off (they must be returned by the Army first). If after the offensive a war of position ensues, though we hope this will not be the case, 20 cm. guns will be needed by the Army; otherwise they can be sold. Plans for the BISMARCK are discussed. What is the price? The Fuehrer will then make a decision. The Commander in Chief, Navy agrees, as only two ships are being built and the Russians need at least six years to copy them.

14. Personnel questions:

Admiral Albrecht
Admiral Saalwaechter
Vice Admiral Marschall

signed: Raeder

countersigned: Assmann

The results of delaying work on heavy caliber naval shells for four months.

1. Battleships BISMARCK and TIRPITZ.

One allowance of ammunition consists of 130 shells for each gun.

a. Previous plan:

Two allowances of ammunition were to be ready about two months after the completion of the ships.

b. Now possible:

Only one allowance of ammunition can be ready about the time of completion, the second allowance not until about six months later.

Ammunition for firing practice cannot be provided until afterwards.

2. Battleships SCHARNHORST and GNEISENAU.

One allowance of ammunition consists of 150 shells for each gun. Two allowances are available except for a small part.

a. Previous plan:

The third allowance of ammunition was to be ready by about August 1940.

b. Now possible:

The third allowance cannot be ready until January 1941.

3. Pocket battleships of the DEUTSCHLAND class.

One allowance of ammunition consists of 120 shells for each gun. Two allowances and parts of the third are available.

a. Previous plan:

The third allowance of ammunition was to be ready by about May 1940.

b. Now possible:

The third allowance will not be ready until the end of 1940.

4. Heavy cruisers.

One allowance of ammunition consists of 140 shells for each gun. Two allowances are available for HIPPER and BLUECHER; one allowance for PRINZ EUGEN. The second allowance for PRINZ EUGEN will not be ready until the end of August 1940.

For SEYDLITZ

One allowance of ammunition will be ready on commissioning. The second allowance will not be ready until the end of 1940. The third allowances of ammunition for all four cruisers cannot be ready before autumn 1941.

5. This program makes no provision for the production of ammunition for the planned 38 cm. coastal batteries.

Discussion Points for the Conference of the Commander
in Chief, Navy with the Fuehrer on 8 December 1939.

I. Questions of naval warfare.

1. The situation in the North Sea:

Further successful mine-laying operations by destroyers, submarines, and aircraft.

Destroyer operations on the night of 6 December off Haisborough were carried out according to plan (approximately seventy mines were laid). An enemy destroyer was sunk by torpedo spread. Our own destroyers were apparently unobserved. The operation is not to be made public in view of possible later mining operations.

The Submarine Arm: Mines were layed on the east coast and torpedo submarines operated successfully on the east coast of Scotland.

The success of U "47" (commanding officer, Prien) against a heavy British cruiser has not yet been absolutely confirmed. In all probability hits were scored. Total loss of the cruiser is still doubtful.

New Losses: Presumably U "35" was lost on the northeast coast of Scotland. The crew was probably taken prisoner. This brings the number of submarines lost to date up to eight.

Naval Air Force: Mines were layed off eastern ports during the night. Continued successful reconnaissance activity over the entire North Sea. Unfortunately there were several losses as a result of unfavorable weather conditions (icing and fog) and enemy activity. British fighter defenses must be rated highly. An attempt is to be made to protect our own reconnaissance by our long-range fighter planes as far as possible.

British air attacks on Borkum and Heligoland show the danger to which we are exposed from the well prepared enemy air force. So far the British were not successful, however. There is the possibility of surprise attacks by low-flying aircraft. Defense measures in Borkum are being strengthened. It is not yet possible to base fighter groups on Heligoland.

2. Survey of the situation in the Atlantic:

GRAF SPEE sank a 10,000 ton steamer, DORIC STAR, on 2 December 400 miles west of Southwest Africa.

Plan: The war against merchant shipping is to be continued. The GRAF SPEE may proceed to operations off the east coast of South America. If everything proceeds as planned, the Naval Staff anticipates the return of the pocket battleship at the end of January or the beginning of February. The supply ship ALTMARK is also to be recalled.

3. Strategic effect of the battleship operations in the Iceland-Faroes area:

The desired diversion has been achieved and will probably remain effective for some time. The withdrawal of heavy enemy forces from other important security zones (Canada, North Atlantic route, and Middle Atlantic) prevents an enemy concentration of forces in the South Atlantic, thereby relieving the pocket battleship GRAF SPEE. Other appreciable effects are the temporary interruption of convoy traffic, creation of an attitude of apprehension and uncertainty, increased air patrol activity, demands on men and material, the upsetting of plans for the distribution of forces and other plans.

The results of the first battleship operation were very favorable for us. The ships have shown themselves to be entirely suitable for offensive operations on a large scale. The ships are at present being overhauled; a far-reaching, large-scale operation is planned for January.

4. Situation in the Baltic Sea:

The protection of the approaches to the Baltic Sea is of primary importance. Danish mine barriers have been laid in the Great and Little Belts. Complete agreement has been reached with Denmark with regard to patrol, pilot service, etc. The Danish Navy is remarkably cooperative. Unfortunately owing to poor weather conditions several patrol vessels have been lost due to our own mines.

Sweden's attitude is very unsatisfactory. The German barrage in the Sound has been extended as far as the three mile limit against the will of Sweden. There is still heavy traffic in Falsterbo Channel. Plans for discouraging it are discussed.

In spite of Swedish assurances to the contrary, the Swedish mine field laid in the Quarken and Aland Sea must be regarded as a purely anti-German measure directed at complicating Germany's war against merchant shipping. A protest has been made to the Swedish Government.

The restriction of the operational area to 20° E (Russian sphere of interest) complicates the war against merchant shipping in the Baltic Sea.

Submarine chase in the western Baltic has achieved no results whatsoever; thus there is no evidence of the presence of enemy submarines at the moment.

5. Additional plans for warfare against Britain:

a. Our efforts should be concentrated on offensive mine warfare. The smaller harbors on the east coast are to be included as well as the larger ones. Torpedo-carrying submarines in the Atlantic are to be recalled temporarily in favor of mine-laying submarines.

b. Naval surface forces are to operate against enemy convoys between Norway and Britain.

c. Attacks are to be made on the enemy fishing fleet for the purpose of capturing enemy fishing craft.

d. Submarine plans: submarines are to lay dense mine fields in suitable areas; for the most part this is possible only during the new moon. It is a difficult undertaking because the areas are heavily patrolled and strongly defended. Aside from smaller current operations on the east coast, the following places are to be mined: Firth of Forth, Firth of Clyde, Bristol Channel, and Liverpool.

e. Naval aircraft is to continue laying mines; support by the operational Air Force is anticipated in the near future.

5. Mines with magnetic firing devices:

From now on we must expect that the enemy will discover and subsequently copy our mine fuse within one or two years. In order to present the British with a new problem, non-contact firing on an entirely new basis is being tried out.

7. German merchant shipping:

The return of German merchant ships from overseas has been highly satisfactory for the most part. For example, seven of the eight ships which put out of Vigo have arrived in Norway. Of course there have also been regrettable losses, i.e., the USSUKUMA and the WATUSSI. The danger that German ships will be confiscated in neutral ports is increasing. The sale of German ships is not advisable except in special cases, as it may be presumed that within a short time they will fall into enemy hands. Hence the necessity for scuttling them promptly.

8. The return of the HELENE:

The ship is ready to put to sea and is to receive instructions through the Naval Staff, presumably for 10 December. The Navy will provide for escort as the situation may require.

9. Operation "Gelb":

a. According to a directive from the Fuehrer, destroyer operations off the Scheldt are not permitted until the second night. Complications and impediments must therefore be expected.

b. The Navy's plan to fortify the Dutch-Belgian coast is discussed. Purely defensive measures are planned by the Navy for important positions as protection against enemy attacks from the sea. The Navy will not install anti-aircraft defenses or take over Army duties. It seems necessary to install two heavy batteries (Hook of Holland, Blankenberghe) and three medium batteries

(Texelstroom, Ijmuiden, Walcheren); in addition one railway battery should be made available.

10. Political questions:

a. The effect of the Russo-Finnish conflict on the attitude of Italy, Spain, and other countries toward Germany. Sympathy for Finland is especially noticeable in Italy and Spain. The Fuehrer's opinion on the subject is requested.

b. The Foreign Office (Ambassador Ritter) is preparing a directive for foreign missions to counter enemy measures for chartering neutral shipping; neutral governments are warned against letting their ships to enemy powers. Such action will be regarded as a breach of neutrality. If they persist in such action to any great extent in spite of this warning, all ships bearing the flag of the country in question will be treated as enemy ships if they are encountered in a certain area. (The American war zone as far as about 30° E is meant.)

c. The Navy's attitude on the "order in council" for the British blockade of German exports is as follows:

German countermeasures are necessary. The Naval Staff is not yet in favor of taking recourse to the most drastic methods of warfare against merchant shipping by declaring a state of siege in answer to the "order in council". This measure must be reserved for a general intensification of the war. If the "order in council" is to be answered before a general intensification of the war, and if this answer will consist only in intensified naval warfare without the support of air attacks or political or economic measures, the Naval Staff suggests a special decree which will permit striking at enemy exports.

Report of the Commander in Chief, Navy to the Fuehrer
on 12 December 1939 at 1200.

Present: General Keitel
Brig. General Jodl
Lt. Commander von Puttkamer

1. Concerning: The Norway Affair (see Annexes 1 and 2)

The Commander in Chief, Navy received Mr. Q. and Mr. H. (Quisling and Hagelin). Q., former Minister of War and leader of the National Party, made a reliable impression. He reported the following: Public opinion in Norway is very hostile to Germany, as a result of the conflict between Russia and Finland even more so than formerly. England's influence is very great, above all through the President of the Storting, Hambro, a Jew and a friend of Hore-Belisha, who is at present all-powerful in Norway. Q. is convinced that an agreement exists between England and Norway regarding a possible occupation of Norway. Sweden would then also turn against Germany. There is a very real danger that Norway may be occupied by Britain, possibly soon. The Storting, and with it the Government of Norway, is no longer legal from 11 January 1940, since it decided to extend itself for a year, contrary to the constitution. This would provide an opportunity for a political coup. Q. has good connections with officers in the Norwegian army and has followers in important places (e.g., railways). Should the occasion arise, Q. is prepared to take over the government and to ask Germany for aid. In addition, Q. is ready to discuss preparations of a military nature with the German Armed Forces.

The Commander in Chief, Navy points out that it is impossible to know with such offers how much the people concerned wish to further their own party schemes and how important German interests are to them. Caution is therefore advisable. It must be made impossible for Norway to fall into British hands, as this could be decisive for the outcome of the war; Sweden would then be entirely under British influence and the war would be carried into the Baltic Sea, thereby completely disrupting German naval warfare in the Atlantic and in the North Sea. The Fuehrer also regards the occupation of Norway by Britain as unacceptable. The Commander in Chief, Navy points out that German occupation of Norwegian coastal bases would naturally occasion strong British countermeasures for the purpose of interrupting the transport of ore from Narvik. Severe surface warfare off the Norwegian coast would be the result, and the German Navy is not yet prepared to cope with this for any length of time. In the event of occupation this is a weak spot.

The Fuehrer considers whether he should speak to Q. personally, in order to form an impression of him; he would like to hear Reichsleiter Rosenberg's opinion first, as the latter has known Q. for quite a while.

The Commander in Chief, Navy suggests that if the Fuehrer is favorably impressed, the Armed Forces High Command be permitted to make

plans with Q. for preparing and executing the occupation either:

a. by friendly methods, i.e., the German Armed Forces are called upon by Norway, or

b. by force.

2. The Commander in Chief, Navy recommends keeping a clear policy with regard to the Russo-Finnish conflict. No armament is to be sent in support of Finland (via unreliable Sweden). The Chief of Staff, Armed Forces High Command declares that the Foreign Office has been informed that arms would be delivered to Sweden only if the Swedish Government guarantees in writing that they are to be used solely by the Swedish Army.

On the other hand, the Commander in Chief, Navy recommends accommodating Russia, for example in the matter of oil supply for submarines, as Russia also offers us practical advantages, e.g., holding foreign steamers in Murmansk for three days after the departure of the BREMEN.

The Fuehrer agrees on both points.

signed: Raeder

countersigned: Assmann

Minutes of a Conference on 11 December 1939 at 1200.

Mr. H. and Mr. Q. (in writing: Director Hagelin and Quisling) called on the Commander in Chief, Navy.

Q. stated that England has not made the desired declaration of neutrality to Norway, as she has to the other Scandinavian countries, and judging by available information and observations, England has no intention of respecting Norway's neutrality for the duration of the war. Only after considerable pressure on the part of Quisling in the Storting did the British government make the desired declaration. Nevertheless the present Norwegian government has signed a secret treaty with Britain to the effect that in case Norway becomes involved in war with one of the great powers, an invasion by Britain may be carried out with Norwegian consent. A landing is planned in the vicinity of Stavanger, and Christiansand is proposed as a possible British base. The present Norwegian government as well as the Storting and the whole foreign policy is controlled by the well-known Jew Hambro, a great friend of Hore-Belisha. For some time the sympathies of the Norwegian people have been consciously driven in a pro-British, anti-German direction, and the whole Norwegian press is under British control. Hambro is misusing his position, and with the help of numerous British agents is trying to bring Norway under British influence or into complete dependence. The influence of Norwegian policy has been sharply felt in the remaining Scandinavian countries (Sweden, Denmark, and Finland). These countries are also fully aware of the fact that the one who occupies Norway has the key position for all trade in the Baltic Sea and the North Sea. The dangers to Germany arising from a British occupation of Norway were depicted in great detail (example: The Rhine and Elbe estuaries are flanked by the Western Powers). The Baltic Sea is developing into a theater of war in which Germany can no longer carry on her trade undisturbed.

Great anxiety is felt by all Norwegian patriots over the Russian advance into Finland. Further pressure on the Scandinavian countries is expected. It is understood that at present Germany can do nothing to counter the Russian advance, but it is desired nevertheless to prevent Russia from gaining further influence in Scandinavia. Hambro and his followers believe they can do this with the help of Britain. The National Party, however, does not wish to come to blows with Germany because of Britain's gaining a foothold in Norway. Therefore the National Party desires to anticipate any possible British step in this direction by placing the necessary bases at the disposal of the German Armed Forces. In the whole coastal area men in important positions (railway, post office, communications) have already been bought for this purpose. But a change in the German attitude toward Norway's policy is absolutely necessary. Months of negotiations with Reichsleiter Rosenberg have not produced the desired results. (Incompetency of accredited diplomats.) Q. and H. stated that this visit to Germany is for the purpose of establishing clear-cut relations with Germany for the future. From 10 January the present government and the Storting will no longer

be legal. There is the possibility of a political revolution, in which the National Party would probably not remain passive. Conferences are desired for discussion of combined action, transfer of troops to Oslo, etc., and the possible laying of protective mine fields. Amtsleiter Scheidt was requested as a confidential agent.

The Commander in Chief, Navy agreed to confer with the Fuehrer on the matter and to inform Q. and H. of the results of the conference.

Memorandum

Re: Visit of Mr. Quisling from Norway.

Supplementary to earlier information, I wish to report that Quisling is one of the best known Norwegian general staff officers. He was Military Attache in Finland, and from 1927 to 1930, before diplomatic relations between the Soviet Union and Great Britain were broken off, he represented British interests in Moscow. From 1931 to 1933 he was Norwegian War Minister, representing the Norwegian Peasant Party; he then resigned and formed a radical national and socialist party called the National Unity Party. This party had, and still has, anti-semitic views and it recommends closest cooperation with Germany. It has 15,000 registered members, and Quisling estimates the number of his direct followers at two to three hundred thousand; this comprises that ten per cent of the population which is in favor of cooperation with Germany even at the present time, when the general attitude in Norway and Sweden is definitely anti-German. His party also did not participate in voting for the Storting.

The Storting, contrary to the constitution, has decided to extend its own period of office starting 12 January. Quisling suggests that this fact could be used as a pretext for action. Quisling, as an experienced officer and a former War Minister, has even now very close relations with the Norwegian Army. He showed me the original of a letter which he had recently received from the commanding officer in Narvik, Colonel Sunlo. In this letter Colonel Sunlo openly stresses the following: If present conditions continue, Norway will be destroyed. He only hopes that enough will be left of the nation to form a people which can rebuild Norway on a sound basis. The present generation is doomed, and rightly so; it must be admitted that they deserve nothing better, for, as he sees it, the Norwegians have violated the unalterable laws of the world. These laws call for work and idealism, and stupidity has never been considered a legitimate excuse. "I will do nothing for that old soak Madsen (Minister of Commerce), for that pacifist Monsen (War Minister), and for that blockhead Nygolswold (Premier). On the other hand, it can be good and useful to risk your bones for the national uprising." Signed: Konrad Sunlo.

Amtsleiter Scheidt, who has been in Norway several times and has a number of acquaintances there, has stated that the commanding officer of the largest troop training grounds, Hroslev, has expressed himself in a similar manner, likewise the Senior Officer of the War Academy in Halden, Captain Fritzner.

Quisling knows the King very well from the time when he was in office and he believes that the King holds him in esteem, even though the latter is on the whole pro-British. The Jew Hambro, who is President of the Storting, and at the same time President of the Committee for Foreign Affairs, is regarded as the greatest enemy of

Germany and as perhaps the most powerful political personality. For all practical purposes the politics of Scandinavia rest in his hands at the present time. At the same time he is leader of the delegation to the League of Nations and leader of the strongest political party, the so-called "Conservatives", who control the fate of the present minority government. Hambro also controls the press in Norway. It is to be feared that the anti-Russian feeling which is fanned by the Russo-Finnish conflict will very soon result increasingly in greater sympathy for Britain and greater antipathy for Germany.

A plan for possible procedure has been suggested. According to this plan a number of picked Norwegians will be given training in Germany for this particular task. They will be told exactly what to do, and will be assisted by seasoned National Socialists who are experienced in such matters. These trained men are then to be sent back to Norway as quickly as possible, where details will be discussed. Several focal points in Oslo will have to be occupied with lightning speed, and simultaneously the German Navy with contingents of the German Army will have to put in appearance at a pre-arranged bay outside of Oslo in answer to a special summons from the new Norwegian Government. Quisling has no doubt that such a coup, achieved instantaneously, would at once meet with the approval of those sections of the Army with which he now has connections. Of course he has never discussed political action with them. As regards the King, he believes that he would accept such a "fait accompli".

Quisling's estimate of the number of German troops needed for the operation coincides with the German estimates.

signed: A. Rosenberg

Report of the Commander in Chief, Navy to the Fuehrer
on 16 December 1939 at 1300.

Present: Brig. General Jodl
Commander von Puttkamer

The Commander in Chief, Navy reports that at least two weeks are needed to make the GRAF SPEE seaworthy, and that the Government of Uruguay has granted only 72 hours. The Foreign Office is requested to continue efforts to obtain an extension of the time allowed; this appears hopeless, however, as Britain and France are exerting great pressure, and Uruguay will conform to their wishes. Uruguay is unreliable as a neutral, and is not able to defend her neutrality. Internment in Montevideo is therefore out of the question. A break-through to Argentina, which is stronger, could be considered, since this would permit us to retain greater freedom of action. The Commander of the GRAF SPEE has proposed a break-through to Buenos Aires, and he requests a decision as to whether, if the prospect is hopeless, he should choose internment in Montevideo or scuttle the ship in the fairly shallow waters of the La Plata River.

The Commander's telegram of 16 December follows:

"1. Strategic position off Montevideo: Aside from cruisers and destroyers, ARK ROYAL and RENOWN. Close blockade at night. Escape into open sea and break-through to home waters hopeless.

"2. Propose putting out as far as neutral boundary. If it is possible to fight our way through to Buenos Aires, using remaining ammunition, this will be attempted.

"3. If a break-through would result in certain destruction of GRAF SPEE without opportunity of damaging enemy, request decision on whether the ship should be scuttled in spite of insufficient depth in the estuary of the La Plata, or whether internment is to be preferred.

"4. Decision requested by radiogram.

signed: Commander, GRAF SPEE"

The Commander in Chief, Navy cannot recommend internment in Uruguay, and he considers the right course to be an attempt to break through, or, if necessary, to scuttle the ship in the La Plata River. The Fuehrer is also opposed to internment, especially since there is a possibility that the GRAF SPEE might score a success against the British ships in the break-through. The Fuehrer entirely approves of the instructions the Commander in Chief, Navy proposes to send to the Commander of the GRAF SPEE.

The text of the instructions follows (sent as Radiogram 1347/16 to GRAF SPEE at 1707):

"1. Attempt by all means to extend the time in neutral waters in order to guarantee freedom of action as long as possible.

"2. With reference to No. 2: Approved.

"3. With reference to No. 3: No internment in Uruguay. Attempt effective destruction if ship is scuttled.

signed: Raeder"

Note: The envoy in Montevideo reports in the afternoon, that further attempts to extend the time limit were without result.

Confirmation was therefore sent by Radiogram 2239 to the Commander of the GRAF SPEE that the instructions in Radiogram 1347 with reference to No. 2 and No. 3 remain in force.

The text of the radiogram is as follows:

"16 December, Radiogram 2239/16 to Commander, GRAF SPEE.

"As envoy reported impossibility of extending time limit, instructions according to Radiogram 1347/16 Nos. 2 and 3 remain in force."

Sent at 0040 on 17 December.

Report of the Commander in Chief, Navy to the Fuehrer
on 30 December 1939.

Copy

Present: General Keitel
Commander von Puttkamer

1. Baltic Sea:

The sinking of a number of German steamers, which occurred in the course of Russian naval warfare against Finland, is brought up. The Russians now respect the German flag. An agreement is being discussed with regard to German ore steamers from Lulea.

German naval warfare is greatly impeded by the extensive traffic of neutral steamers to Britain through Swedish territorial waters, e.g., Falsterbo Channel. Firm pressure should be brought to bear on Sweden with the object of getting her to mine her own territorial waters; all traffic at the southern entrance of the Sound would then pass through the gap in the German mine field, which would be under a combined patrol.

2. Scandinavia:

It is essential that Norway does not fall into British hands. There is danger that volunteers from Britain, in disguise, will carry out an unobtrusive occupation of Norway. Therefore it is necessary to be prepared and ready. Serious resistance in Norway, and probably also in Sweden, is not to be expected. Opinion in higher military circles in Norway is divided: One section believes that Russia will not occupy Tromsø, as the difficulties would be too great; the other section believes that the partition of Norway between Russia and Germany has already been arranged.

3. Northern sea route:

Negotiations are in progress through the Naval Attache in Moscow for the use of the northern sea route by returning German ships, i.e., auxiliary cruisers and pocket battleships. Perhaps political pressure from a higher source will be necessary, as subordinate departments do not take the responsibility.

4. Warfare in the North Sea:

The mine belt along the east coast of Britain was extended by destroyers and submarines in December; submarines are carrying out further extension along the west coast. The British now dim their outer beacons at night, and have declared the whole east coast a danger zone; this is a purely defensive measure. At the northern and southern entrances a heavy concentration of traffic will occur, and opportunities for submarine torpedo attacks in the north will therefore continue to be good. In the south it will be necessary to disrupt traffic by laying aerial mines. In view of the new situation the following steps are being taken:

- a. In the coastal waters off the east coast protected by

mine fields, the Commander in Chief, Air is making bombing attacks on steamers sailing unescorted as well as on convoys.

b. The Commander in Chief, Navy has suggested to the Commander in Chief, Air that neutral ships proceeding through or anchoring in the Downs should also be attacked by bombers, after previous warning to neutral governments. These ships are proceeding under the orders and supervision of the British Navy, and are thus in a way being convoyed.

The Commander in Chief, Air will ask a decision to be made in due course. The Fuehrer also considers a warning necessary; perhaps a favorable moment would be the commencement of a general intensification of warfare. (Note in writing: Who will do this?)

The over-all effect of the mine fields is as follows:

British and neutral merchant shipping are suffering severe losses, and neutral shipping is discouraged. On the other hand, the British are constantly able to create gaps in the mine fields by taking advantage of the removal of individual mines caused by ships which have been sunk. Traffic is continuing by day at least, though at great risk on account of the great number of wrecks, as many of the neutral captains have stated. Aerial mines must continually be laid to fill the gaps.

In January a large number of submarines will be ready for torpedo attacks and for cooperation with the surface forces.

The surface forces will be ready for operations by the second half of January. Operations will be made more difficult in the future by the absence of the strategic effect of the GRAF SPEE and the DEUTSCHLAND in the Atlantic. There is a greater concentration of heavy British naval forces in the north (2 to 3 battle cruisers, 5 to 6 battleships, 3 to 4 heavy cruisers).

The LUETZOW and the first auxiliary cruiser will be completed by the end of January, and ready to sail by the middle of February. Italian participation in the war would relieve the situation in the Atlantic, as then a part of the British naval forces would be withdrawn to the Mediterranean.

Air activity: The enemy is very active in the North Sea; the Navy is dependent to a great extent on good air reconnaissance; modern types of aircraft for the Navy in sufficient numbers are therefore necessary. Negotiations are in progress. Radar equipment has proved very satisfactory and is the only method of warning coastal defense of the approach of enemy aircraft.

5. Intensification submarine warfare: (See Annex 1.)

Previous experience has shown that gradual intensification without special proclamation is the best method. If a proclamation is planned in conjunction with general intensification of warfare, as advocated by the Fuehrer, only a general statement concerning intensified naval warfare should be made, without commitment to spe-

cific detail; moreover it is requested that the Naval Staff be authorized to introduce intensification according to the general situation and the state of preparedness of the forces, subject always to fundamental agreement previously obtained from the Fuehrer. The same procedure is recommended in case no proclamation is made. The Fuehrer agrees to the following:

a. Merchant ships of all nations which sell or lease ships to Britain, primarily Greek ships, can be torpedoed without warning in the American declared war zone by any or all submarines, depending on the situation, possibly with limitations to certain defined areas.

b. Any or all submarines may fire without warning on neutral ships in those parts of the American declared war zone in which sinkings can be blamed on mines, for instance in the Bristol Channel. Ships of friendly nations are excepted.

c. The Fuehrer is withholding publication of the ruling in reply to the "order in council" until the general intensification of warfare, or, in the case of a long delay in the offensive, until substitute measures are introduced in place of the offensive.

Friendly nations will be handled with consideration as before.

The Italians sent a note requesting designation of a safe harbor. The Commander in Chief, Navy suggests replying that this is unfortunately impossible, since all harbors concerned have already been mined. It is impossible to establish the exact position of mines layed by submarines and planes, and the German Government therefore can give no guarantee. Italian ships would have to rely on data from British pilots. (Note: The Fuehrer agrees.)

6. Sinking of the GRAF SPEE:

On account of insufficient details, no final judgment can yet be made concerning tactical conduct during the battle, why the EXETER could not be disposed of, and the necessity for entering Montevideo harbor. After the ship entered port and no extension of time for repairs was obtained, the decision of the commanding officer to use all remaining ammunition for effective destruction of the ship was justified, seeing there was no guarantee that after an attempt at a break-through and expenditure of the remaining ammunition the ship could be scuttled effectively in the shallow waters of the La Plata River estuary by merely opening the sea cocks. The defenseless, only partially submerged ship would have been in danger of being captured by the British. The Fuehrer reiterated the fact that the EXETER should have been completely destroyed.

7. NURNBERG:

The damage is only slight. Repairs would take a short time, but will be taken care of during the period already set aside for overhauling the engines.

LEIPZIG: It will probably be necessary to replace one or two boilers,

involving a long time in dock. KARLSRUHE, now fit for service, is to act as substitute.

ADMIRAL SCHEER was already due for lengthy repairs at the outbreak of war, and they will begin shortly. The ship will not be ready to sail until autumn 1940 at the earliest.

8. Submarine construction program:

Negotiations are in progress with the Chief of Staff, Armed Forces High Command about a submarine construction program which by 1 January 1942 would provide us with 316 more submarines than we have at present. This would be done by drawing on metal, particularly tin, reserved for the Navy for later years. The Chief of Staff, Armed Forces High Command confirms this and intends to investigate industry thoroughly to see if any more tin can be obtained. A final decision as to whether this program can be carried out or whether further reductions must be made can be deferred until May or June 1940.

Intensification of War against Merchant Shipping.

I. Germany's policy with regard to merchant shipping as of the end of December 1939:

a. The following ships are subject to submarine attack without warning:

1. All merchant ships recognized as enemy.

Exceptions are passenger ships sailing alone which are definitely unarmed.

2. All neutral ships sailing in enemy convoy.

3. All ships sailing without lights in the area between 20° W, 62° N, 3° E, 44° N.

4. All ships refusing to stop or making use of radio telegraph.

5. All tankers in the American declared war zone west of 20° E with the exception of Italian, Russian, Spanish, American, and Japanese tankers.

b. War against merchant shipping is waged by stopping and searching ships according to prize regulations:

1. Surface forces stop and search all enemy and neutral ships.

2. Submarines stop and search on special orders only such neutral ships as do not come under "a".

c. Ground mines are layed by surface forces, submarines, and aircraft within the limits dictated by depth of water, counterdefense, and our own range.

d. No war measures are taken against merchant ships belonging to Italy, Spain, Russia, and Japan. American crews are treated with the greatest consideration.

The following ships are therefore so far not subject to German attack: All definitely neutral ships bound for Great Britain and France which are travelling alone and of which the following holds true:

1. They are not affected by prize warfare, carry no contraband, and act in an absolutely correct manner;

2. they carry any kind of export goods from enemy ports.

II. A survey of the present situation in the war against merchant shipping shows that, with permission to use all weapons against mer-

chant shipping, a high degree of effectiveness has already been reached. Any further intensification of warfare on the part of naval forces can only affect neutral ships. Increased sinkings of neutral ships will result in higher losses of neutral crews. On the one hand, therefore, any extension will have an adverse effect for us both from a political and from a propaganda point of view and will make many exceptions necessary, as in the case of action against tankers; on the other hand, if the intensified measures are applied skillfully, neutral shipping will be discouraged more and more from seeking British harbors because of increased danger to neutral personnel. Any intensification, however, will indirectly increase the effectiveness of warfare against enemy shipping, for if permission to sink vessels without warning is extended, the necessity for tiresome observations and determination of nationality will be practically obviated.

III. So far the Governments's policy of intensifying warfare against merchant shipping gradually has justified itself completely. In conjunction with the American declared war zone, this policy has avoided any politically disadvantageous developments in Germany's relations with neutral countries. As laid down in the memorandum of 15 October 1939 concerning intensification of naval warfare (not included), the Naval Staff believes that ultimately the most drastic measures in the war on merchant shipping, i.e., a ruthless siege of enemy countries, will be the most satisfactory solution.

Thus the present policy of the Naval Staff coincides with the proposals made in the memorandum. This advocated utilizing ruthlessly all available weapons, adapting them to the operational possibilities prevailing at the time without being bound by any concepts whatsoever such as "proclamation of a state of siege" or declaration of closed and danger zones. Such steps would only be disadvantageous from a political, international, and strategic point of view.

IV. The how and when of intensified naval warfare will depend on the decision of the supreme command concerning the commencement of generally intensified warfare by means of an offensive in the west.

First possibility:

The Fuehrer decides in favor of opening an offensive in the west in the very near future in conformity with the instructions already issued; this will entail infringing on the neutrality of other countries.

In this event the political repercussions caused by intensified naval warfare will be only a small part of those created by the over-all war situation. The gradual transition to intensified naval warfare within the American war zone, with the ultimate aim of disrupting all merchant ship traffic to Britain by the ruthless employment of all weapons is, therefore, planned to coincide with the opening of the offensive.

Immediate introduction of separate measures of intensified naval warfare is not necessary. This can wait until warfare generally is in-

tensified. The friendly neutrals (Italy, Spain, Japan, and Russia) as well as America are to be spared as much as possible. A statement to the effect that Germany will attempt to safeguard their interests to the utmost should be made to the countries concerned.

a. If the Government decides to introduce intensified warfare with a public proclamation (address to the Reichstag, radio address, general proclamation, or a note to the neutrals), this announcement must also include a statement concerning further intensification of naval warfare. (See Appendix to Annex 1.)

b. If, on the other hand, the Government does not intend to make a proclamation concerning a general intensification of warfare, no official statement must be released either concerning the provisions for intensified naval warfare. Otherwise the Navy will once again go down in history as engaging in ruthless, unrestricted submarine warfare. Besides, considering the present number of forces at our disposal, especially the small number of submarines ready for operations in the Atlantic, naval operations alone cannot be expected to have a decisive effect on the course of the war. The Naval Staff therefore cannot advocate a proclamation, which would have political repercussions, for the sake of announcing the intensification of naval warfare alone.

It is nevertheless considered both necessary and possible to intensify measures against merchant shipping without previous declaration.

While maintaining complete freedom of naval action, intensified naval measures will in both cases, (either with or without previous proclamation) be adapted to the over-all situation, available weapons, and operational possibilities. They will be initiated by means of separate instructions from the Naval Staff. The proposed measures for intensification are discussed in the following section.

Second possibility:

The Fuehrer decides to postpone general intensification of warfare indefinitely.

In this event naval warfare must be intensified gradually as heretofore. The early introduction of further intensified measures against merchant shipping is proposed in this connection.

The Naval Staff makes the following suggestions:

a. The special decrees already submitted in reply to the "order in council" for the purpose of waging war against British export trade should be released.

b. In the zone designated for attacks on tankers, submarines should attack without warning the merchant ships of those countries who place their vessels extensively at the disposal of Britain (Greece for example). An official statement will not be made in this connection. It is up to the naval strategists to order such action in specified areas or for certain specific submarines, as the situation and the weapons available may warrant, so that no sudden intensifi-

cation will be apparent.

c. Wherever in the zones designated for attacks on tankers sinkings can be blamed on mines, certain specific submarines, and later all submarines, are to attack all merchant ships without warning on special orders from the Naval Staff, issued in accordance with the prevailing situation and the operational possibilities.

d. Friendly neutrals are to be spared as much as possible, as before.

Italy:

British coal export to Italy, still continuing at the moment, cannot be taken over completely by Germany; furthermore, German export to Italy by sea is always open to British attack. Insofar as coal supplies are concerned, Italy is therefore heavily dependent on Britain. An alternate route by railway would provide Italy with only a small part of her total requirements.

As regards other Italian goods, including armaments, it is not such a simple matter to interfere with Italian shipping in the American declared war zone (Italian note of 23 December, not included). Action against Italian ships in accordance with the memorandum would strain our relations with Italy to an extreme degree, a thing which must be avoided.

Russia:

It is not very probable that Russian merchant ships will be found in the American war zone; nevertheless the sinking of such ships would influence our political relations with Russia very unfavorably, and must be avoided.

Japan:

Traffic with the enemy powers is slight. Nevertheless unfavorable political repercussions must be avoided by handling the Japanese carefully. So long as it can be made to appear that ships are striking mines, it appears feasible to apply intensified measures of submarine warfare also against Japanese merchant ships.

Spain has officially forbidden her ships to sail to enemy countries, and has assured us that she will take action against ships which act in a manner contrary to this order.

signed: Fricke

signed: Assmann

Suggestion for the Fuehrer Proclamation:

England is our deadly enemy. Her object is the destruction of the German Reich and the German people. Her methods are not open warfare but vile and brutal starvation, in fact extermination of the weak and defenseless not only in Germany but in the whole of Europe. History proves this.

The Head of the British Government adhered to this historic attitude when, on 26 September 1939, he declared before the House of Commons that the naval blockade of Germany now being carried out by Britain does not differ in any way from a siege on land, and that it has always been customary to cut the besieged off from all supplies.

We Germans will not allow ourselves to be starved out, nor will we capitulate. Returning like for like, we will make Britain herself feel what it means to be besieged, in order to free the world once and for all from the base and insufferable tyranny of the British.

The Head of the British Government announced in his speech on 12 October 1939 that Britain will use all her resources in this war, i.e., that the war will be waged with every legal and, as has happened already, also illegal means at her disposal. Likewise we too, while observing the rules of military conduct, will use our weapons ruthlessly in this fight into which we have been forced in the defense of our existence and our rights.

The German Government will take every step to cut off Great Britain and France completely from any supplies, as is done in any siege according to the British Prime Minister.

Any ship encountered in the combat area around Britain and France, regardless of its flag, fully exposes itself to the dangers of warfare.

GLOSSARY 1939

Amtsleiter

Functional title of certain higher officials in the administrative units of the Nazi Party. Party rank depended on the regional level of the office.

ATHENIA case

The famous case of the sinking of the British passenger liner ATHENIA by a German submarine in the first days of World War II. The sinking was disavowed by the Germans, apparently in good faith at first. For a time even the Naval Staff does not seem to have known the truth about this matter. Later, when it did become known, only a few of the members of the Naval Staff were permitted to share in the secret.

Deputy for the Four Years' Plan

Goering, who was appointed to this office, exercised control over every aspect of German economic life.

Deputy for the German Economy

This office was held by Funk, who was also Minister of Economics. In his capacity as Deputy for the German Economy he was appointed by and subordinate to Goering.

Operation "Gelb"

Code name for the invasion of Holland and Belgium.

Obersalzberg

Name of a mountain near Berchtesgaden, Bavaria, where Hitler had his mountain retreat, the "Berghof".

Reichsleiter

The highest rank in the Nazi Party. The individuals holding this rank formed the highest executive board of the Nazi Party. Most of them also held high positions in the Reich Government.

Admiral Scheer

Commander of the Imperial German High Seas Fleet in World War I and, from August 1918 to the end of the war, Chief of the Admiral Staff.

TMC mines

Torpedo mines, Type C. Torpedo mines were mines ejected through the torpedo tubes of a submarine. Three different varieties, TMA, TMB, and TMC, are known.

War Economic Inspectorate

A supervisory agency operating under the War Economy Division (Wehrwirtschaftsamt) of the Armed Forces High Command.

Z-Plan

Long-term ship construction program of the German Navy, covering the period from 1939 to 1945, when the Navy expected to be prepared for war with Great Britain. It was suspended upon the outbreak of World War II.

Copied into record (only the official transcript.

Document repeated word for word.

Not even in evidence

we must go back and
read our documents.

I have noticed

3.
4.
5.

1. Doc. cannot be in and out.

2. Is in evidence with all judges.

3. Have a right to assume

4. Typewritten transcript.

5. No ruling or only partially binding.

Record and transcript.

Don't consider it.

P 2736.

Why were such large excerpts read by
both parties.