

WWNU (Ger.)

2128

~~CONFIDENTIAL~~

UNCLASSIFIED

WAR DIARY

German Naval Staff Operations Division

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 24 1947	
Copy number	121

PART A

VOLUME 29

DECLASSIFIED IN ACCORDANCE WITH DOD MEMO OF 3 MAY 1972, SUBJ:
CLASSIFICATION OF WWII RECORDS

JANUARY 1942

WAR DIARY OF THE GERMAN NAVAL STAFF
(Operations Division)

PART A

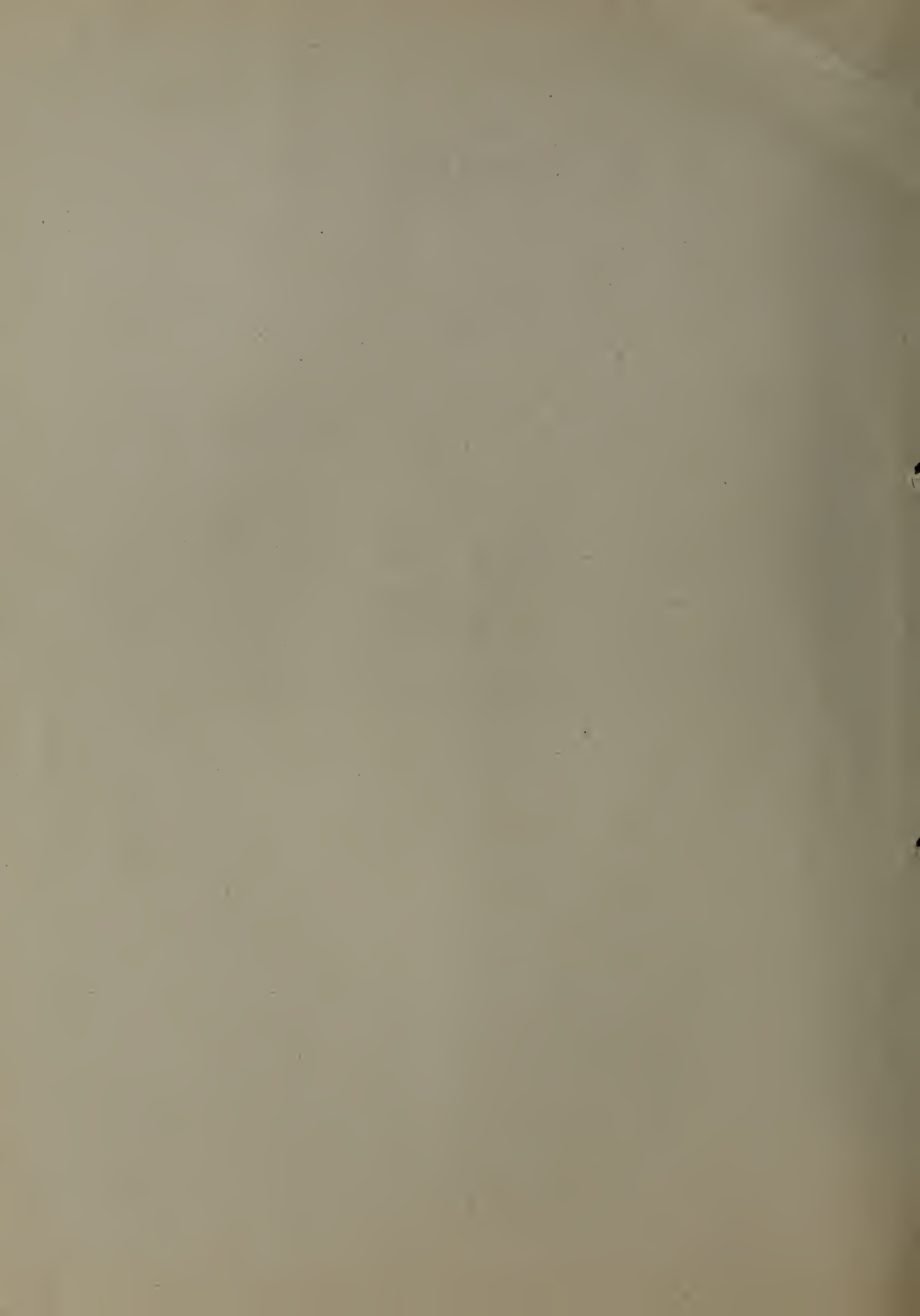
January 1942

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

Volume 29

begun:	1 Jan. 1942
closed:	31 Jan. 1942

DEPARTMENT OF THE ARMY
RECORDS SECTION
RECEIVED BY DOD MEMO OF 3 MAY 1972, SUBJECT
RECORDS SECTION OF THE ARMY



OFFICE OF NAVAL INTELLIGENCE

Washington, D. C.

Foreword

1. The Office of Naval Intelligence has undertaken to translate important parts of the War Diary of the German Naval Staff. The present volume, entitled War Diary of the German Naval Staff, Operations Division, Part A, Volume 29 is the third one of the series to appear. Other volumes will follow shortly.

2. The War Diaries, Part A, are important because they contain a day by day summary of the information available to the German Naval Staff and the decisions reached on the basis thereof. Together with the Fuehrer Conferences on Matters Dealing with the German Navy, 1939-1945, which have been published by this office, the War Diaries should provide valuable material for the study of naval problems arising from total war. The War Diary, Part A, is also a useful index to the German Naval Archives of World War II; references may be found in the microfilm library of Naval Records and Library.

3. Due to the cost of publication, only a limited number of copies could be made; it is therefore desirable that the copies which have been distributed are made available to other offices which may be interested.

Washington, D. C.
1947

1 Jan. 1942

Men of the Navy! .

A year of great victories for our Armed Forces and of proud achievements for our Navy is drawing to its close.

A new one is beginning. It will find us more uncompromising, more resolved, and more confident of victory than ever before.

We will fight to certain final victory in unswerving loyalty to the Fuehrer, faith in God, and in our own strength.

Berlin, 31 December 1941

Raeder

Grand Admiral, Dr. h.c.

Commander in Chief, Navy

1 Jan. 1942

Items of Political Importance

Germany:

The Fuehrer's New Year's proclamation to the German people delves deeply into the war guilt problem. It calls for everybody's wholehearted effort in the struggle against the plutocratic powers which, in alliance with Judaism and Bolshevism, have forced this war upon us. From the Channel to East Asia our enemies face the tremendous array of nationalistic states. "The coming year will demand a great deal from us. However, our battle front as well as our home front will meet all its challenges. The year 1942 shall be decisive for the salvation of our people and of the nations allied with us".

France:

Marshal Petain declared in his New Year's message that Germany will realize how very necessary it is to soften the terms imposed on France in order to bring about a genuine rapprochement between the two nations. The new constitution intended for France must originate from Paris, and would not be proclaimed until the day after the occupied territory has been liberated.

Great Britain:

Churchill declared in a press conference that he harbors no great hopes that Italy will soon be eliminated from the war. The losses of Allied merchant shipping in the last five and one half months were only one fifth as large as in the preceding months.

These losses could not become a decisive factor.

U.S.S.R.:

In London Ambassador Maisky declared in his New Year's message that the principal theater of war in this world conflict is Russia. The Germans' main weapon, the myth of an invincible army, is now shattered.

Venezuela:

Venezuela severed diplomatic relations with Germany, Italy, and Japan.

Japan:

According to press reports, Japan has organized an all-Indian volunteer regiment to fight against Great Britain.

Situation 1 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

1 Jan. 1942

CONFIDENTIAL

On 30 Dec. the RENOWN, the NORFOLK, and the flag ship of the 1st Cruiser Squadron were located in the Iceland area. At 0000 on 1 Jan. the CLEOPATRA was located at 60° 34' N, 20° 22' W, presumably bound for Greenock.

According to an intelligence report, Washington has again permitted deliveries of fuel and food supplies for French North Africa on condition that an equal number of shiploads of North African products be shipped to America aboard French steamers. Approximately 80 of the heaviest and latest type U.S. bombers are to be sent to Britain in January. They will be piloted by Americans.

South Atlantic:

An intelligence report states that three U.S. cruisers and eight destroyers have been assigned to patrol duty along the northern coast of Brazil between Macao and Belem. On 30 Dec. the U.S. destroyer GREENE entered Pernambuco and departed again. The auxiliary cruiser BULOLO left Buenos Aires on 30 Dec.

Indian Ocean:

The GLASGOW probably departed from Bombay on 21 Dec.. According to an Italian agent's report the steamers QUEEN MARY, QUEEN ELIZABETH, and NEW AMSTERDAM as well as one large Red Cross transport were lying in Suez on 20 Dec., to which port they had allegedly brought 50,000 South African and probably also some Indian troops. On 27 Dec. the Portuguese steamer JOA BELLO escorted by gun boat ZARCO left Mozambique bound for Timor with 1,000 men.

Pacific Ocean:

According to a Brazilian report, a U.S. cruiser of the TREN-
TON class is patrolling the coast of Ecuador. A Peruvian claims to have sighted seventeen American warships between Panama and Callao, among them Peruvian and Canadian vessels.

2. Own Situation:

Nothing to report.

II. Situation West Area

1. Atlantic Coast:

The Gironde is temporarily closed from the estuary up to Bordeaux because of suspected aerial mines. During the evening it was observed that low flying planes again dropped ground mines near the railroad port terminal Le Verdon.

Ship "10" can depart on short notice from 8 Jan. on. Ship "10" requested protection by submarines stationed along its outbound route since an escort by submarines is out of the question in view of the ship's high speed. The Naval Staff must refuse this request as there are no forces available.

War Diary, Part C, Vol. I contains Radiogram 1/Skl Ik 3/42 op Gkdos.

1 Jan. 1942

CONFIDENTIAL

Chefs. informing Group West, with copy to the Commanding Admiral, Submarines, about messages which have been sent to the ELSA ESSBERGER up to this date concerning sailing directions as far as point "Erpel" and escort by own submarine from there from 0800 on 4 Jan. to 2400 on 7 Jan.. It also contains information concerning special recognition signals, and requests Group West to furnish precise sailing directions from point "Erpel" for relay to the ELSA ESSBERGER.

2. Channel Coast:

During the night of 31 Dec. the 2nd PT Boat Flotilla was sent out to lay mines along the alternate route west of Cromer Knoll. No navigational reference points due to poor visibility and because outer channel light buoys were extinguished. The mines are located in quadrants 8177 right center and 8171 lower right. No torpedo operations because of poor visibility. Two PT boats were unsuccessfully chased by independently operating enemy destroyers. At 0730 all boats were at the operations base (see Radiogram 1645).

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Nothing to report.

2. Norway:

Enemy Situation:

According to a report from Commanding Admiral, Norway the "PQ" convoy route is presumed to run from Iceland to Bear Island, then approximately to 74° 20' N, 19° 00' E; to 74° 20' N, 30° 00' E; to 74° 00' N, 35° 00' E; to 73° 00' N, 42° 00' E; to 71° 00' N, 47° 00' E; to 69° 00' N, 42° 00' E. The winter route may lie further south. Reconnaissance data to substantiate this assumption are not available (see Radiogram 1337). A report from the British Admiralty states that the light naval forces which participated in the Lofoten operation under the command of Rear Admiral Hamilton returned on 1 Jan. 1942 without damage or casualties. The force, to which also Polish and Norwegian vessels were assigned, used one of the harbors as a supply base. The report contains no further news (see Radiogram 2115).

Own Situation:

Enemy air raids on Kirkenes on 31 Dec. from 1900 to 2300. Buildings of the local military government were destroyed and five people killed. The Vest Fjord was opened to convoys. The COBRA is lying to in Harstadt, loaded with mines for anti-submarine barrages at the disposal of the Commanding Admiral, Arctic Coast. As soon as the weather permits it is planned to transfer the 8th PT Boat Flotilla and the LUEDERITZ to Vardoe under escort of the 8th Destroyer Flotilla, which will subsequently proceed to Kirkenes.

1 Jan. 1942

CONFIDENTIAL

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The first group in the transport operation of the 225th Infantry Division departed with two steamers from Stettin bound for Riga. Otherwise nothing to report.

V. Submarine Warfare

1. Enemy Situation:

An Italian report states that the Polish steamer BATORY (14,287 GRT) left Gibraltar on 30 Dec. with 1,500 civilians, 400 soldiers, and approximately 200 German and Italian prisoners of war aboard. She was escorted by two destroyers and was heading for Britain.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Nothing to report.

2. Mediterranean Theater:

For reconnaissance observations see Enemy Situation, Mediterranean.

3. Eastern Front:

Reconnaissance planes sighted one burning steamer and one listing with her stern deeply submerged in Feodosiya harbor. No further reports are available.

4. Special Items:

a. According to information from the Commander in Chief, Air, Operations Staff, fighter-bomber units can no longer be made available for convoy duty because, on specific orders from the Fuehrer, all of these are being used in the Baltic Sea or in North Africa and are reinforced from all available reserves and training schools. Pursuit plane cover can therefore be taken over only by pursuit planes in the territory of the Commanding General, Air Force, Central Area (see Radiogram 1550).

The Naval Staff will not be able to acquiesce in this explanation without taking further recourse. The need for pursuit cover is directly related to the transfer of the TIRPITZ to northern Norway, the preparation of which has likewise been ordered by a directive from the Fuehrer.

b. Upon endorsement by the Chief, Naval Staff (see War Diary 23 Dec.) the Naval Staff, Operations Division's viewpoint concerning the revision of air reconnaissance sectors in the North Sea as proposed by the Commander in Chief, Air, Operations Staff was forwarded to the latter. Copies were also forwarded to the Air Force General with the Commander in Chief, Navy, to Groups North and West, and to the Commander, Naval Air. Copies of the directives 1/Sk1 29294/41 Gkdos. and 29644/41 Gkdos. are contained in War Diary, Part C, Vol. V.

VII. Warfare in the Mediterranean

1. Enemy Situation:

Nothing to report.

2. Situation Italy:

Nothing to report.

3. Transport of Supplies to North Africa:

Two naval barges each loaded with 80 tons of aviation gasoline and Italian trucks departed from Tripoli, one bound for Buerat and the other for Ras el Aali. There are no further reports.

4. Area Naval Group South:

Aegean Sea:

Renewed enemy air raids on Salamis during the night of 31 Dec.. No damage reported.

In answer to the Naval Staff's inquiry, Group South reports that there is no objection to the Turkish government's intention to make food supplies available to the suffering people of Mytilene and Chios. A further discussion of this subject is contained in War Diary, Part C, Vol. VIII.

Black Sea:

Nothing to report.

VIII. Situation East Asia:

New reports have not been received.

IX. Army Situation

1. Russian Front:

Southern Army Group:

In the Crimea all attacks by the apparently reinforced enemy were repulsed. Likewise, all enemy attacks at the sectors held by the 1st Panzer Army and the 17th Army broke down. Only at the 6th Army sector did the enemy succeed in breaking through in the direction of Oboyan, where the situation is critical.

Central Army Group:

Near Kursk counterattacks were launched against enemy forces which broke through the left flank of the 16th Panzer Division. The 3rd Panzer Division was able to prevent a further penetration of the LV Army Corps' front. At the 2nd Army sector an infantry division had to be withdrawn in westerly direction along a line south of Byelev. The continuous strong enemy attacks on almost all the Army Corps sectors of the Moscow front were repelled, except for one break-through near Staritsa. At that sector all reserves are committed to the defense of Rzhev.

Northern Army Group:

An enemy break-through at the Volkhov front was cut off and all further attacks repulsed.

2. Finnish and Norwegian Front:

Intense enemy activity along the whole front of the Army High Command, Norway. All attacks were repulsed. The 3rd Mountain Division has been shipped to Germany, except for a few remaining administrative units.

3. North Africa:

Reinforcement of enemy forces is to be expected. Northeast of Agedabia the Italian Motorized Corps and the German Motorized Task Force gained territory from the enemy vanguard which had advanced from the northeast.

The attack on Bardia was sealed off on the southern front. The defense positions were maintained even against renewed enemy attacks at daybreak. A German hospital was hit during the continuous air raids. No support from our own air forces because of weather conditions. Increased enemy attacks must be expected for 2 Jan.

2 Jan. 1942

Items of Political Importance

France:

According to a report from diplomatic sources, French governmental circles are of the opinion that popular support for De Gaulle has decreased considerably and that his radio propaganda is ineffective.

U.S.A.:

Subsequent to the conference in Washington, American circles point out most emphatically that the defense of Australia and New Zealand will be one of the main tasks of American strategy, because they are the only bases from which large-scale operations can be launched to regain a foothold in the Pacific. In this connection it is worth noting the increasing tendencies in Canada as well as in Australia to tackle the problem of the internal structure of the Empire. Now that the war theaters have spread to include the Dominions' territories, the question whether America or Britain is better able to protect them is no longer academic but most acute.

U.S.S.R.:

According to a report from a neutral diplomatic source, one of Eden's principal objects at his conferences in Moscow was to bring about a Russian declaration of war against Japan. A report from the Bulgarian Charge d'Affaires in Moscow states that all men in the 18 to 50 age bracket are again being called up to register for conscription in order to reinforce the new reserve army which is being organized in Gorki. It is said that morale in Moscow has risen.

U.S.A.:

There are various news items, partly conflicting, about the conference in Washington. Although Knox promises vast schemes for reconquering the Philippines by means of naval operations, British and Japanese sources state that for the time being a defensive attitude will be maintained in the Pacific in order to consolidate all forces to obtain a decision in the Russian campaign in favor of the Allies. Further details in Political Review No. 1/42, Paragraph 6a.

The occupation of St. Pierre and Miquelon by De Gaulle still plays a large part in the discussions, apparently because this action has painfully disturbed the trend not to alienate France permanently. Newspaper reports state that the U.S. Government has demanded that De Gaulle evacuate the islands immediately.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief, Naval Staff, Operations Division reports on the number of submarines stationed in the Mediterranean at this time, and on the intention not to dispatch any more submarines to that zone of operations once the quota allocated to it has been filled by the next two

arrivals. This means that any eventual losses will not be replaced. The considerably intensified enemy patrol and subchasing activities in the Strait of Gibraltar have led to the loss of four submarines. Four more were damaged while passing through the Strait. In view of the five additional submarines lost in December during the operations against convoy HG 77 (among them submarine U "567" with Lt. Endrass), the above losses make themselves felt to a considerable degree. Our submarines are now concentrating their operations on the eastern Mediterranean, which is appropriate considering that there are no signs at present to indicate an immediate threat to our Africa position from the western Mediterranean. The Chief, Naval Staff agrees.

II. The Chief, Naval Ordnance Division reports about the supply of skilled labor for the armament industry, a situation which will become more critical than ever within a short time. Since transport facilities to Japan will be available on 15 Jan., he recommends furthermore that Admiral Nomura or the Naval Attache be contacted once more to ascertain any further Japanese requests for equipment. He points out that some time ago we deliberately avoided fulfilling the numerous and extensive Japanese requests by routing the negotiations via the Ministry of Economics. However, the present situation would warrant our reconsideration of these earlier requests. We might extend appropriate offers to the Japanese so as not to waste the unusual transport opportunity. The Chief, Naval Staff decides that while we must of course render all possible support to the Japanese in principle, we must avoid offering them specific objects since, not knowing about Japanese requirements, we might easily run the risk of appearing officious. Nevertheless, we shall notify Admiral Nomura and the Naval Attache once more of our general willingness to cooperate, with the reminder that the transport departs on 15 Jan.

III. The Chief, Naval Staff, Operations Division reports that the improved oil situation in Japan now permits the termination of oil deliveries to "Etappe" Japan since, according to Admiral Nomura, our blockade-runners will probably be able to refuel in Japan.

IV. The Chief, Underwater Obstacles Branch reports that the weather buoys which automatically radio weather reports twice daily are ready for use. These buoys do not destroy themselves, however, when retrieved by unauthorized persons as do the beacon buoys which are dropped by planes and on which bearings can be taken by anyone who desires to do so.

V. The Naval Staff, Operations Division, Foreign Affairs Section reports that the project for establishing a Swedish-American Air Line has allegedly been abandoned. The Foreign Office will keep the matter under observation.

VI. The necessary preparations for the planned meeting of the Commander in Chief, Navy and Admiral Darlan are in the hands of the Commanding Admiral, France.

Situation 2 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Special Items:

A compilation of news intercepted by radio decoding and monitoring up to 28 Dec. 1941 is contained in Radio Intelligence Report No. 52/41 issued by Naval Staff, Chief of Naval Communications, Radio Intelligence Branch.

North Atlantic:

The NORFOLK was relieved by the BERWICK in the Denmark Strait on 31 Dec.

South Atlantic:

The BIRMINGHAM left Rio again on 1 January 1942. According to radio decoding the ASTURIAS patrolled northwest of Pernambuco on 26 Dec., the BULOLO east of Rio, the CANTON and CILICIA northwest of St. Paul's Rocks. On 26 Dec. the DEVONSHIRE was located between Free-town and St. Paul's Rocks and on 31 Dec. northwest of the latter. On 2 Jan. the British steamer BACTRIA reported a submarine south of Free-town. Our own submarines cannot be involved.

According to a report from our Attache in Rio, twelve transports have left en route to England up to this time. Each of them had two to three thousand men aboard, almost exclusively communists from Buenos Aires and La Plata. Three fourths of the men are Poles, the rest are Lithuanians, Estonians, Latvians, Bulgarians, and Rumanians who will receive German lessons during their voyage.

Indian Ocean:

Convoy BA 12 was to depart from Bombay for Aden on 31 Dec.

2. Own Situation:

Radiogram 2252 contains instructions to all hands overseas about the experiences of the KULMERLAND when chased by an armed British steamer. It also contains a list of advantageous courses for ships sailing alone from India via the Cocos Islands and rendezvous point to Australia, as well as information about the enemy situation.

II. Situation West Area1. Enemy Situation:

According to a report from the German Legation in Dublin, a log book marked ILLUSTRIOUS which belonged to a pursuit plane pilot who had made an emergency landing on the coast of Donegal fell into Irish hands. Apparently the plane had at one time belonged to the ILLUSTRIOUS complement. In any case, the subsequent assumption that the carrier had been sunk is erroneous (see Radiogram 1940).

2. Own Situation:Atlantic Coast:

Enemy air raids on Brest from 1846 to 2114 and from 2215 to

2 Jan. 1942

CONFIDENTIAL

2235. No damage to military or naval installations. Armed forces casualties were three killed and seventeen wounded.

Channel Coast:

A target located and shelled by battery "M 2" turned out to be a drifting barrage balloon. See Radiogram 1920 for a brief report by the 2nd PT Boat Flotilla concerning uneventful mining operation on 2 Jan. 1942.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

No reports have been received.

Own Situation:

Nothing to report.

In compliance with the Naval Staff's request, Group North reports the following statistics concerning convoy operations in 1941:

Area of Commanding Admiral, Defenses, North

a. Via the North Sea to and from Krøstiansand South: 304 ships totalling 808,300 GRT.

b. Elbe-Maas two-way traffic: 3,336 ships totalling 8,387,075 GRT.

c. Elbe-Weser-Ems two-way traffic (amounts prior to 15 April are estimates): About 4,523 ships totalling 8,359,655 GRT.

2. Norway, Arctic Ocean:

Along the route to Murmansk radio monitoring located two British vessels near Kanin Noss and a Russian patrol vessel in Kola Bay. Convoy PQ 7 was supposed to have left an Icelandic harbor on 24 Dec.. Besides the BERWICK, the escort vessels ANEMONE and ABELIA were located in the Denmark Strait on 1 Jan.

According to an allegedly very reliable report from an agent, Swedish military circles believe that a British landing attempt in the Scandinavian area would most likely take place at the following places: Alta Fjord, Tana Fjord, Varanger Fjord, Honningsvaag. These areas are supposed to be very difficult to defend because of the desolate, almost roadless hinterland (Finnmark). The enemy could attempt to cut off German troops in the north and establish communications with Russian troops in Murmansk by striking toward the Swedish frontier from Alta and towards the Finnish border from Varanger Fjord. To this would be added the political effect on the Scandinavian countries. The period between the end of March and the beginning of May is a likely time for such a British operation.

2 Jan. 1942

CONFIDENTIAL

Own Situation:

The 8th Destroyer Flotilla, with the LUEDERITZ, will begin its voyage from Tromsø to Vardø and Kirkenes on the afternoon of 3 Jan.. The 8th PT Boat Flotilla, including boats "46" and "44", will start from Tromsø to Honningsvåg in the morning. On 4 Jan. they will depart from Honningsvåg and continue the voyage, following the coast closely.

Submarine U "585" will be ready for action on 3 Jan.. Two vessels of the Narvik Harbor Defense Flotilla transferred the damaged Norwegian steamers NORDLAND and KONG HAROLD from Kirke Fjord to Loedingen.

Submarine U "134" reports the sinking of an eastbound unescorted ship about eighteen miles south of Bear Island.

This furnishes the first practical data on the location of the Russian supply route.

The measures taken by the Commanding Admiral, Norway and the Deputy Admiral, North Sea Station concerning use of the submarines to be assigned to mining operations in the Norwegian area (see War Diary 31 Dec. 1941) are contained in Radiograms 1156 and 1800.

The 3rd Mine Sweeper Flotilla has started its home voyage with five vessels.

War Diary, Part C, Vol. IIA contains copies of the requests from Group North for assignment of at least twelve PT boats to northern Norway and the Bergen-Stadland area; for permanent assignment of three submarines to the area between the Lofoten Islands and Bergen; and the assignment of all available torpedo planes to the 5th Air Force. It contains further the Naval Staff, Operations Division's negative answer to the above requests as per directive 1/Sk1 2213/41 Gkdos. Chefs. and 1/Sk1 I op 2221/41 Gkdos. Chefs. (see War Diary 31 Dec. 1941 under Conference with the Chief, Naval Staff, Paragraph I).

On 1 Jan. Group North reported its intention to send the TIRPITZ on a three to four day raid against the presumed PQ convoy route (see War Diary 1 Jan.) between 0° and 30° E immediately after the vessel has departed from the North Sea. The destroyers which are escorting the TIRPITZ from the North Sea are to remain in Trondheim, ready for action. At the same time the destroyers of the Admiral, Arctic Ocean will be lying to in readiness at Tromsø or, depending on the situation, will patrol the convoy route east of 30° E so as to guide the TIRPITZ to any convoy which might possibly be spotted east of her operations route. Air reconnaissance as well as a readily available force of bombers are to be requested.

In principle the Naval Staff agrees with the idea underlying this plan. However, it points out that the present season, which is favorable for an unnoticed break-through, will have an unfavorable effect on operations in the Arctic Ocean because of the long nights. In the opinion of the Naval Staff there is little prospect of success in operating against a target which has not somehow been located beforehand, particularly since there are no destroyers available for reconnaissance. Moreover, the Naval Staff considers that even by day the battleship runs a grave risk in raiding a convoy which is escorted by several heavy cruisers and destroyers without having a protecting de-

2 Jan. 1942

CONFIDENTIAL

destroyer screen herself. Therefore the Naval Staff demands the following factors as prerequisite for execution of the plan:

- a. The receipt of reconnaissance reports about the presence of a target against which a surprise attack can be made.
- b. Assurance of a destroyer escort, at least during hours of darkness, so that the distance of the raid will have to be limited to destroyer cruising range.

Group North is to use its own discretion in deciding on the matter, provided the Fuehrer approves the transfer of the TIRPITZ. The Group must also make preparations to the fullest possible extent to meet all contingencies.

A copy of the corresponding teletype as per 1/Skl I op 6/42 Gkdos. Chefs. is contained in War Diary, Part B, Vol. IIIa.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

1. Enemy Situation:

Group North informs the Naval Staff that it has forwarded authentic information to the Northern Army Group that one battleship, two cruisers, one mine-laying cruiser, one flotilla leader, twelve destroyers, and twenty to twenty five submarines are still in Leningrad. These vessels are in seaworthy condition or can be repaired, and the shipyards are still working to a large extent. A revival of enemy naval activities must therefore be expected by the middle of April unless Leningrad is in our hands by that time.

Since we will have even less equipment available than in 1941 to fight the enemy at sea, Group North intends to lay a new strong mine belt as close to shore as possible as soon as ice conditions permit. This mine field is to be laid in places covered from both shores by coastal artillery. Until then the destruction of naval vessels and shipyards in Leningrad and Kronstadt by air raids and artillery must be intensified as much as possible. The possibility that we might want to use these facilities ourselves at some future date must be completely disregarded. A copy of the telegram from Group North to Northern Army Group as per 1/Skl 90/42 is contained in War Diary Files "Barbarossa".

2. Own Situation:

Weather conditions have led to the formation of an ice barrier in the Irbe Strait which, should the present wind direction prevail, will make transport operations to Riga impossible. For a few more days it will be possible to take ships through the ice behind old battleships used as icebreakers. Therefore the Fuehrer has been requested to approve directing the transports of the 225th Infantry Division to Libau for the time being. From there they may still be able to proceed together behind the old battleships. If that proves impossible the ships must be unloaded in Libau.

The steamer PORTO ALEGRE with urgently needed coal cargo for Reval is icebound in Abo. An attempt is being made to transfer the cargo and

ship it on smaller steamers aided by icebreakers (see Radiogram 1730).

Wreckage, apparently from mine sweeper "557", drifted ashore near Dievenow.

V. Submarine Warfare

1. Enemy Situation:

The U.S. vessel ALGONQUIN and a British escort vessel reported that a surfaced submarine was attacking the former near Rosemary Bank. At 1230 radio monitoring intercepted an aircraft report concerning an abandoned, sinking tanker west of Rosemary Bank, probably the tanker CARDITA (see War Diary 31 Dec. 1941). The British steamer HINDUSTAN sighted a submarine 500 miles south of the Azores.

2. Own Situation:

One of our submarines in the Rosemary Bank area maintained contact for a short time with a southeast bound convoy consisting of about thirty steamers. Further situation report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Armed reconnaissance reported successful attacks on ship targets in the Irish Sea and the St. George's Channel. During the night of 2 Jan. seventy nine enemy planes raided seven sites in occupied territory, among them Brest and La Pallice (see Situation West Area).

2. Mediterranean Theater:

Current daylight and night raids on Malta were continued.

3. Eastern Front:

Strong contingents of our own forces attacked enemy landings at Feodosiya. The following vessels were reported sunk on 1 Jan.: One vessel, probably a warship, of 2,000 GRT; one transport of 5,000 GRT; one freighter of 1,000 GRT. One ship of 8,000 GRT was reported damaged. On 2 Jan. we began mining Feodosiya harbor.

The mining of Sevastopol harbor was repeated. It is planned to reinforce the mine-laying forces of the IV Air Corps.

Strong contingents of our own forces were active over enemy territory in front of the Central Army Group sector in the vicinity of Staritsa and Byelev, and to the north against enemy columns northeast of Gruzino and on Lake Ilmen.

VII. Warfare in the Mediterranean1. Enemy Situation:

According to an Italian agent report from Alexandria, a British engineering commission has surveyed Benghazi harbor for the possibility of rebuilding it into a supply base for light vessels and submarines.

Traffic of enemy merchant vessels and light patrol forces without special observations.

2. Situation Italy:

The Naval Attache, Rome refers to a memorandum signed by Admiral Riccardi which was handed to the German General at Headquarters, Italian Armed Forces by General Cavallero for further transmission to the Armed Forces High Command. It contains the Italian Navy's estimated inventory of fuel oil supplies as of 1 Jan., 1 Feb., and 1 Mar.. The data is being checked by order of the German General in conjunction with the Commanding Admiral, German Naval Command, Italy. The Naval Attache considers it absolutely necessary that the Naval Staff study the memorandum, the only copy of which is at the Armed Forces High Command, Industrial Armaments Branch, before the Garmisch conferences begin. (See Radiogram 1230.)

These are undoubtedly the statistics, the compilation and transmission of which the Naval Staff (Operations Division, Fuel and Supply Section) has always urged. The participation of the Fuel and Supply Section at the Garmisch Conference is arranged. The suggestion of the Naval Attache, Rome will be complied with.

According to a report from the German Naval Command, Italy, Bardia is negotiating its surrender.

3. Transport of Supplies to North Africa:

In view of the Bardia situation, the German Naval Command, Italy orders the auxiliary sailing vessels which were supposed to leave for Bardia to remain in the Aegean Sea (see Radiogram 1945). Two transport submarines and two auxiliary sailing vessels are en route between Crete and Bardia. The latter cannot be recalled.

4. Area Naval Group South:Aegean Sea:

The "Siena" Squadron began its return voyage from Suda to Piraeus.

In compliance with his request, Commander Junge is being informed about the state of defense installations in the Crete naval sector for his report to the Fuehrer as follows:

1. No mine barrages in the area around Crete. Laying of barrages in the passages of the Aegean Sea east and west of Crete is contemplated. Group South still has mines available in the Greek area. The difficulty lies in the problem of transporting them.

2. Each of the coastal batteries in Suda Bay and Canea Bay consists of three 150 mm. Naval Staff Type 45 guns on central pivot mount Model C/16. Army batteries are also stationed at these two places.

3. No naval anti-aircraft guns.

4. Nets: Inside Suda Bay there is a British anti-submarine and torpedo net barrage. It is contemplated to lay a triple or quadruple reinforcement of the Candia barrage as well as two anti-torpedo net cages in Suda Bay. The necessary material is available. Whether and how far these plans have already been executed will be reported at a later date.

Black Sea:

Enemy Situation:

There are no air reconnaissance reports on hand.

Own Situation:

See Aerial Warfare for details about mine laying in Feodosiya and Sevastopol.

Submarine DELFINUL is out of commission until the end of January. Group South belatedly reports the probable sinking of one Russian submarine each by Bulgarian air and naval forces on 16 Aug. and 15 Oct. 1941 respectively.

VIII. Situation East Asia

1. Enemy Situation:

Nothing to report.

2. Situation Japan:

Newspaper reports state that Japanese troops have entered Manila. U.S. troops have also evacuated Cavite. According to a communique from Japanese Headquarters, Japanese vessels shelled the islands of Maui, Johnston, and Palmyra. During the last few nights Japanese planes made severe attacks on the harbor, airfields, barracks, and military offices in Singapore. The sea port of Kuantan (190 miles north of Singapore) was captured on 31 Dec.. In the Strait of Malacca Japanese Army planes sank one submarine and severely damaged one destroyer and two steamers.

IX. Army Situation

1. Russian Front:

Southern Army Group:

The situation at Sevastopol remains unchanged. Our forces will be able to attack the beachhead at Feodcsiya only after reorganization of the units of the 46th Infantry Division. The SS Division "Adolf Hitler" repulsed the enemy in a bloody counterattack at the 1st Panzer Army sector. The 6th Army is waging a successful defensive battle.

Central Army Group:

Enemy attempts to break through northwest of Tim were foiled by counterattacks. The 3rd Panzer Division succeeded in recapturing Trudy. Near Byelev enemy thrusts attempting to break through our lines also failed in the face of our tenacious defense. Villages and terrain to the south and southeast were recaptured in advances from Yukhnov and west of Kaluga. On the Moscow front the enemy succeeded in breaking through our lines only at one point near Borovsk, at which place we launched a counterattack. Enemy penetrations south and west of Kalinin and in the Mologino area were stopped.

Northern Army Group:

The enemy forces which had broken through at the 61st Infantry Division sector were blocked. Enemy units which had penetrated our lines near Soltsy were destroyed. Our forces occupied the western outskirts of Peterhof.

2. Finnish and Norwegian Front:

Someri Island was occupied by Finnish troops. The enemy was again thrown off Techelmusha Island in the northeastern part of Onega Bay with heavy losses.

3. North Africa:

Patrol skirmishes in front of the Agedabia positions. After the enemy had broken through on the southern sector of the Italian defense line of Bardia, no further resistance was offered in order to avoid useless sacrifices. The enemy succeeded in obtaining the town's unconditional surrender.

Fighting continues near Halfaya. Supplies will last until 10 Jan.

3 Jan. 1942

Items of Political Importance

Washington:

The United States, Great Britain, the Soviet Union, China, the Netherlands, as well as Australia, Belgium, Canada, the Czechoslovak Government in Exile, Greece, India, the Luxemburg Government in Exile, New Zealand, the Norwegian Government in Exile, the Polish Government in Exile, the Yugoslav Government, South Africa, and nine Central American states have signed the following declaration:

The undersigned states emphatically endorse the aims and principles contained in the declaration of the President of the United States and the Prime Minister of Great Britain of 14 August 1941, and known by the name of "Atlantic Charter". They are convinced that complete victory over the enemy is necessary to protect life, liberty, independence, and freedom of religion, and to preserve human rights and justice in their own countries as well as in others. They are furthermore convinced that they are now engaged in a common struggle against savage and brutal powers who wish to subjugate the world.

The governments pledge the following:

1. To bring their full military and industrial resources to bear against those members of the Tripartite Pact and their satellites with whom they are at war.

2. To cooperate with the other signers of the declaration, and to conclude neither a separate armistice nor a separate peace.

3. To admit other nations, provided they render or desire to render military aid or other substantial contributions to the struggle for victory over Hitlerism.

Japan:

According to a statement by Foreign Minister Togo, Japan will, for the time being, adopt a "wait and see" attitude towards Chiang Kai Shek. One may anticipate that the Chungking government will compromise if Japan's military successes continue, since it can no longer expect Anglo-American aid. The Japanese people are solidly united behind his leadership, and even the industrial circles which were pro-British up to the last minute have given up opposition, at least outwardly. Despite all successes, the government and the military leaders constantly point out that the people must prepare themselves for a long war which will demand many sacrifices.

China:

During the propaganda week in Nanking, proclaimed to emphasize the necessity for unity among all East Asiatic peoples against Anglo-American imperialism, it is becoming quite evident that there prevails a strong tendency to regard the war in the Pacific as a campaign against the white race in general.

France:

Conversations with French cabinet members show that since the United

3 Jan. 1942

CONFIDENTIAL

States' entry into the war and the military reverses in Russia Vichy is no longer as convinced of the Axis powers' final victory as heretofore, and thinks along the following lines: Chances for both sides are about the same, and the war can be expected to last for many years. Since such a situation would strengthen neither Germany nor France, there exists a community of interests which might be the starting point of actual cooperation. Germany could emerge unscathed from the war only through a strong tie with France. The clarification of Franco-German relations is therefore not a secondary but a main problem for Germany. If the cooperation of European nations is desired, they must be allowed a certain freedom of action. A real Franco-German alliance on a military basis will constitute the surest guarantee that the French Government does not desert Germany.

In spite of their obvious bias, these statements of French ministers contain a few cogent truths.

Special Items:

I. War Diary, Part B, Vol. V contains a copy of the Fuehrer's directive dated 3 Dec. 1941 on standardization and production increase of our armament program; as well as the executive order from the Commander in Chief, Navy dated 18 Dec. 1941 as per 1/Skl 29591/Gkdos.

II. The Commanding Admiral, Submarines, acting upon suggestions from the Naval Staff, ordered an investigation of the technical problems involved in locating mines by submarines along the line extending from Iceland to the Faroe Islands. The result of this investigation proved such a scheme impossible. Groups North and West, as well as the Commanding Admiral, Submarines, were informed by letter 1/Skl I E 27981/41 Gkdos., contained in War Diary, Part C, Vol. VI.

Situation 3 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

According to newspaper reports, the NORMANDIE is to be converted into an auxiliary cruiser under the name of LAFAYETTE. On 19 Dec. a destroyer flotilla consisting of eight vessels was sighted in Punta Arenas.

According to news releases by the Commandant, U.S. Eastern Sea Frontier, no American ships were sunk so far in the control area between Halifax and Cape Hatteras.

South Atlantic:

The cruiser OMAHA, accompanied by the destroyer SOMERS, stopped at Pernambuco from 31 Dec. to 1 Jan.

2. Own Situation:

Information on the enemy situation relayed via Radiograms 0534 and 2227.

II. Situation West Area1. Enemy Situation:

The Naval Attache, Lisbon reports that, while stopping the Portuguese motor ship TAGUS off Cape Espichel, a British corvette was bombed without success by a German plane outside territorial waters. The Portuguese took advantage of the alarm to enter the Tejo estuary.

2. Own Situation:Atlantic Coast:

St. Nazaire harbor has been closed temporarily because of suspected aerial mines. Twenty enemy planes raided Brest from 1900 to 2100. No damage. The date on which the SCHARNHORST will be able to undock depends on whether it is decided to raise the damaged dock gate by floating chambers or to remove it by cutting or burning. The Naval Staff is of the opinion that only the first method can be considered; otherwise it would take a long time to render the dock serviceable again. Estimated time until undocking is two weeks. For the corresponding report from the Commanding Admiral, Battleships to the Naval Construction Division see Radiogram 1315.

The Naval Staff fully agrees with the criticism of Group West concerning the loss of the BENNO (see War Diary 30 Dec. 1941). The time chosen for the departure of the BENNO and ship "10" was inauspicious as it coincided with strong enemy aerial reconnaissance in connection with the convoy's position. In view of this fact the Naval Staff had recommended on 17 Dec. to postpone the sailing of the two vessels, and on 17 and 21 Dec. the Naval Intelligence Division furnished Group West with detailed data as to the probable location of the convoy. Since we had previously determined what later turned out to be the actual route of convoy HG 77 it would have been appropriate to change the BENNO's course during the evening of 22 Dec., rerouting her via the southern part of route "Anton".

With regard to the reported plan to have ship "10" and the LEINE depart during the new moon phase in January, the Naval Staff remarks that a decision based on the new moon phase alone seems too rigid. For a practical selection of the date of departure it will be necessary to take into account the weather and the enemy situation, and after that the moon phase. A concentration of our ships at the intersection of route "Anton" and the north-south convoy route must be avoided, and the route of departure must be changed for each trip if at all possible.

See War Diary, Part C, Vol. IIb for Radiogram 1/Skl 2199/41 op I K Gkdos. Chfs. which contains the Naval Staff, Operations Division's opinion about this matter as forwarded to Group West.

Channel Coast:

Nothing to report.

5. Special Items:

a. Comparing with the Naval Staff's request, Group West reports that during 1941 the forces of the Commanding Admiral, Defenses, West escorted 6,175 ships totalling 30,340,000 GRT. (This includes 2,990 ships totalling 6,580,000 GRT escorted by the 1st Escort Division up to October.) Since these figures are computed from daily totals, the actual tonnage escorted will amount to about 19% less. 296 convoys with 859 vessels totalling 598,200 GRT actual tonnage were needed to supply the Channel Islands.

Furthermore, since July 1941 the following vessels were escorted: 1,193 ships totalling 399,000 GRT actual tonnage on the ore supply route to and from Spain; 311 inbound and 304 outbound submarines; three battleships and cruisers as well as 108 ships totalling 578,799 GRT to and from the Atlantic; sixteen destroyers, two auxiliary cruisers, two hospital ships, one catapult ship, and four torpedo boats from the west coast to home bases. (See Radiograms 1210 and 1540.)

b. The Commanding Admiral, France reports that the increased withdrawal of divisions from the West to the East makes it necessary that various naval installations, which hitherto had been guarded by Army personnel, must now be protected by the Navy itself with personnel culled from Naval Artillery Battalions and Port Commands. This means a temporary curtailment of training and effective strength. In the long run it will be impossible to avoid falling back on personnel assigned to operation "Secloewe" in order to form new guard units (see Radiogram 1600). The Naval Staff, Quartermaster Division will arrange further details.

III. North Sea, Norway, Arctic Ocean

1. North Sea:Enemy Situation:

During the day lively reconnaissance activity toward the southern coast of Norway. At 1447 a British patrol plane reported seven steamers just opposite Hook of Holland. Around 1200 a British steamer was set afire off Harwich, presumably by striking a mine.

Own Situation:

At 1050 an enemy plane attacked the harbor area of IJmuiden and mine sweepers without effect.

2. Norway:Enemy Situation:

According to a reliable agent report, Great Britain and Russia have agreed to launch a joint offensive against Finland. The Russians are to send eight divisions against the Finnish front. Planes complete with crews are to be furnished by the British, and part of them have already arrived. They are stationed at Lake Onega, along the Kem river. Furthermore, 60,000 ski troops are to be put into action.

It is planned to synchronize the land attack with a British amphibious attack against the Finnish Coast. For the text of the report as per l/Skl 260 geh. see War Diary Files "Barbarossa".

Own Situation:

Nothing to report.

By order of the Admiral, Arctic Coast, radio and newspapers announced the extension of the declared mine area between Furoe and Soroe (see Radiogram 1100).

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

Due to a change in wind direction the ice barrier in the Irbe Strait has melted into sludge, which will allow powerful steamers to get through. Icebreakers are keeping Riga harbor open for troop transports. It is therefore possible to transfer Transport Squadrons I and II, which left Neufahrwasser with two steamers on 3 Jan., to Riga. Around 10 Jan. an old battleship will be available for icebreaking services in the Gulf of Riga (see Radiogram 0830).

V. Submarine Warfare

1. Enemy Situation:

According to radio decoding, convoy HX 166 was located about 250 miles northwest of Rockall Bank on 31 Dec. 1941.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

For reports about enemy air raids on Brest see Situation West Area. Otherwise nothing to report.

2. Mediterranean Theater:

Off Benghazi an enemy destroyer was damaged by bomb hits. For reconnaissance observations see Warfare in the Mediterranean, Enemy Situation.

3. Eastern Front:

Support of Army operations.

VII. Warfare in the Mediterranean1. Enemy Situation:

Air reconnaissance spotted two steamers with a destroyer each along the Cyrenaican Coast, a cruiser off Alexandria, and a destroyer off Benghazi (for report about attack see Aerial Warfare). All vessels were westbound. Seven merchantmen from 2,000 to 8,000 GRT were sighted at Tobruk. Aerial photographs could not cover all ships in the harbor of Valetta. A cruiser was spotted. An intelligence report from Turkey states that sixty Greek steamers of varying size are waiting for orders in Port Said. There are rumors of an operation against Crete.

2. Own Situation:

According to a report from the German Naval Command, Italy concerning compliance with the Fuehrer's directive of 29 Dec., the shipyard capacities needed for Italian transport submarines will not affect the repair facilities provided for German submarines. Not only will the production figures announced on 19 Dec. (see War Diary 19 Dec., Submarine Warfare) be fully met, but they will in all probability even be somewhat exceeded (see Radiogram 1900).

3. Situation Italy:

Nothing to report.

4. Transport of Supplies to North Africa:

On 31 Dec. and 1 Jan. the harbor of Tripoli was closed because of suspected aerial mines, and Zuara was closed because magnetic mines had been detected there. On 3 Jan. the steamer STURLA arrived in Tripoli. On 3 Jan. the steamer PERLA, which had left Tripoli on 2 Jan., returned after an unsuccessful enemy air attack. As yet, no report has been received about the departure of the 1st Transport Squadron.

5. Area Naval Group South:Aegean Sea:

Nothing to report.

The Armed Forces Operations Staff, Operations Division reports that the Italian High Command has given up its plans to install anti-aircraft guns in Suda Bay (see Radiogram 1650).

Black Sea:Enemy Situation:

On 2 Jan. air reconnaissance observed the following: One light cruiser and six small steamers in Sevastopol; one submarine and one PT boat near Abran Dyusr; three warships, six steamers, and one floating dock in Novorossisk. See Radiogram 1115 for further details. According to radio monitoring some unidentified vessels, presumably submarines, were located in the Bosphorus area on 2 Jan.. On 3 Jan. air reconnaissance reported one heavy cruiser at anchor in Tuapse;

two steamers and one tanker at Feodosiya; and cruiser and destroyer movements in the area between the southern tip of the Crimea and Feodosiya. Radio monitoring located three to four submarines at sea, two of them outside the Bosphorus.

The Commander in Chief, Navy sees danger of a Russian landing in Eupatoria. At present the consequences would be particularly serious. The Commander in Chief, Navy points out that the British and French landed there during the Crimean War, supporting their operations entirely from the bridgehead at Eupatoria. The Naval Representative on the Operations Staff of the Armed Forces High Command, Commander Junge, has been directed to report this observation to the Chief of Staff of the Armed Forces High Command, emphasizing particularly the suggestion made by the Commander in Chief, Navy.

Own Situation:

Group South responds to the Naval Staff's inquiry concerning the possibility of employing naval forces to relieve the pressure on the Army units in the Crimea by pointing first of all to the answer given the 11th Army Command to the same question (see War Diary 30 Dec.). Group South repeats the estimate of the naval situation as expressed in the above communication, calling attention once more to its proposal to make greater use of aerial mine laying by transferring an appropriate number of air squadrons to the area. A copy of the report from Group South is in War Diary, Part C, Vol. XIV as per 1/Sk1 182/42 Gkdos.

VIII. Situation East Asia

1. Enemy Situation:

According to newspaper reports, Port Darwin in northern Australia is to become the main base for U.S. and Dutch East Indies naval and air forces. Shortly before the war the U.S. Asiatic Squadron consisted of the heavy cruiser HOUSTON, the cruisers MARBLEHEAD, CINCINNATI, and TRENTON, seventeen destroyers, and ten submarines. Its main base was Manila. According to an official report from Chungking, Chinese troops have entered Burma.

2. Situation Japan:

Domei reports that British forces in British Borneo have withdrawn from Sarawak. One of the richest oil fields in the world has thus fallen into Japanese hands. On Malaya serious resistance is next expected in Jahore along the prepared Bandar-Pengaram-Kluang-Mersing line. The all-Indian regiment has been formed from 2,000 prisoners captured at Ipoh. The spearheads of the western column reached the mouth of the Perak River. Up to now the enemy submarines in the South China Sea have attacked only unescorted vessels, but no convoys.

In view of the firmly established air superiority in the Singapore area, the Japanese Army Air Force has also been given permission to attack enemy ships.

IX. Army Situation1. Russian Front:Southern Army Group:

Enemy reinforcements were observed in the Crimea. Three divisions are known to be on the Feodosiya beachhead, and parts of two more may also be there. Our air forces are currently attacking transports bound for Feodosiya. Temperatures down to -42°C and occasional strong northerly winds generally slowed combat at the sectors of the 1st Panzer Army, the 17th and the 6th Armies. The railroad station at Rshava was held.

Central Army Group:

Continuous enemy attacks despite the cold make the situation critical on the southern flank of the 2nd Army. The troops' fighting power has been greatly reduced. Comparative quiet on the other sectors of the 2nd Army front. The lack of equipment for building fortifications in the soil which is frozen to a depth of one meter slows progress to a minimum. Bogdanova was recaptured in a relief attack. Near Tim the enemy was able to break through our lines in a front 5 km. wide. The 4th Panzer Army was able to gain ground in a counterattack. Enemy reinforcements of Byelev and Potyanovo were observed.

At times, units of the 4th and 9th Armies had to fight desperately at temperatures of -40°C . The enemy is threatening the flanks of our corps and divisions, partly with ski troops and sleigh units. Isolated local break-throughs could not be avoided.

Northern Army Group:

Nothing of importance to report, only local skirmishes at various sectors.

2. Finnish and Norwegian Front:

Unsuccessful enemy activity at the Svir sector and east of Povyenets, as well as at the Mountain Corps' sector. Temperatures -10° to -15°C .

3. North Africa:

On the Agedabia front somewhat stronger patrol activity by both sides. On 2 Jan. the enemy laid a very heavy artillery barrage on the Halfaya front.

4 Jan. 1942

Items of Political Importance

Washington:

A joint declaration by Roosevelt and Churchill announced the formation of a unified command in the southwest Pacific. All land, sea, and air forces in this area will be put under General Wavell's command. The Chief of the U.S. Army Air Forces, Major General Brett, was appointed Deputy Commander in Chief. Admiral Hart, U.S.N., is to command all naval forces. The British General Pownall will be Chief of Staff. General Chiang Kai Shek will take command over Allied land and air forces in China, Indo-China, and Thailand.

U.S.A.:

According to a release by the U.S. War Department, Japanese occupation authorities have announced the internment of all white civilians regardless of nationality, including Germans, Italians, neutrals, and also Spaniards, who are particularly numerous.

It is to be hoped that this U.S. report will prove a propaganda lie insofar as it concerns the citizens of Axis powers and neutral nations.

News reports state that the organization of a U.S. Department of Supply is planned.

Great Britain:

The press describes the Washington Treaty as the beginning of a new League of Nations under more favorable auspices than those of the old one.

Turkey:

Reports from Turkey indicate considerably increased supply difficulties.

Situation 4 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

South Atlantic:

On 2 Jan. the seaplane tender ALBATROSS was located at about 9° N 28° W bound for Trinidad. Agent reports state that a convoy consisting of British, Dutch, and U.S. ships left Pernambuco on 1 Jan.

This is the first news about a convoy along the South American coast.

The U.S. battleship NORTH CAROLINA is scheduled to sail to Rio for the Foreign Ministers' Conference. The tanker ARNDALÉ left Montevideo on 23 Dec. and arrived in Rio on 2 Jan.

4 Jan. 1942

CONFIDENTIAL

The RAMILLIES and the INDOMITABLE were located in the vicinity of the Cape of Good Hope.

2. Own Situation:

The Naval Attache in Tokyo receives instructions to send copies or excerpts of war diaries only when it is possible to forward them via fast German blockade-runners, and to report any special intelligence via radio.

II. Situation West Area

1. Enemy Situation:

Air reconnaissance located two British convoys off the southern tip of Ireland during the evening, one on a northeast and one on a southwest course.

2. Own Situation:

Atlantic Coast:

Unsuccessful enemy air raid against the lighthouse on Ile de Vierge.

Group West will put at the disposal of the Commanding Admiral, Defenses, West two torpedo boats of the 2nd Torpedo Boat Flotilla in St. Nazaire until 15 Jan. for the time being, in order to clarify the mine situation off the west coast (see Radiogram 1315).

Channel Coast:

On 3 Jan. battery "Grosser Kurfuerst" fired 12 rounds at a convoy off Dover. Effects were not observed.

Special Items:

During Dec. 1941 the forces of the Commanding Admiral, Defenses, West were subjected to a total of seven enemy air raids. They caused the loss of one mine sweeper, eleven dead and seventeen wounded. One enemy plane was certainly shot down, and another one probably was.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

According to radio monitoring, the trawler DENWECKHEAD captured in the Firth of Forth.

Own Situation:

From 1300 to 1500 about ten enemy raids, penetrating as far

4 Jan. 1942

CONFIDENTIAL

as the Bremen-Brunsbuettel area. Traffic facilities in Cuxhaven and the railroad station at Geestenseth suffered minor damage.

2. Norway:

Nothing to report.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The Commanding Admiral, Baltic Countries transmits an urgent request from the Northern Army Group to the Admiral, Naval Office, Danzig to dispatch all scheduled troop transports to Riga as far as weather and ice conditions permit (see Radiogram 1220).

A report from the Army Liaison Staff, Finland states that the Finns have proposed to share Hangoe as a port of debarkation for troops and materiel since rail connections are available there and the mine danger is not considered very serious.

Group North will immediately institute a survey of the possibilities by the Naval Liaison Staff, Finland and the Commander, Mine Sweepers, Baltic (see Radiogram 1646).

V. Merchant Shipping:

Report No. 37/41 in the "Foreign Merchant Shipping" series published by the Naval Intelligence Division contains a resume of French merchant shipping as well as shipping in the Persian Gulf, Bombay, Colombo, and Karachi.

VI. Submarine Warfare

1. Enemy Situation:

Twenty two planes were spotted in the northern and central rendezvous areas and ten in the southern rendezvous area.

The British Admiralty announced that the former U.S. destroyer STANLEY, the escort carrier AUDACITY (formerly called UNICORN), as well as two steamers totalling 6,193 GRT were sunk out of a convoy en route from Gibraltar during persistent submarine attacks of five days duration. The AUDACITY is supposedly identical with the former German steamer HANNOVER which had been converted into an aircraft carrier. The German Armed Forces communique reporting the sinking of nine other ships totalling 37,000 GRT was called exaggerated by 500%. Three of the attacking German submarines were sunk, and two Focke-Wulf planes were shot down. A third Focke-Wulf was damaged. Survivors from the three German submarines were rescued. The first German submarine was sunk on 17 Dec. by gunfire from the escort vessels, after depth charge damage prevented her from submerging. The second submarine was apparently scuttled after depth charges had forced her to surface. A few

hours later the third submarine sank the destroyer STANLEY. Depth charges dropped during this attack forced her to surface, at which time the destroyer STORK rammed and sank her.

According to an intelligence report from Portugal, a British corvette entered Lisbon on 2 Jan. carrying wounded and shipwrecked from another corvette which had been attacked off the Tejo estuary (see report on Portuguese motor ship TAGUS in War Diary 3 Jan.).

2. Own Situation:

Submarine U "87" reported having sunk a tanker in the North Atlantic on 31 Dec. (CARDITA).

Further situation report in War Diary, Part B, Vol. IV.

VII. Aerial Warfare

1. British Isles and Vicinity:

Only one of our planes managed to attack the two convoys located in the Irish Sea (see Situation West Area). It fired an aerial torpedo from a 100° angle on the bow without success. See Situation North Sea for enemy air activities in the Elbe-Weser area.

2. Mediterranean Theater:

See Enemy Situation, Warfare in the Mediterranean, for air reconnaissance observations. Planes of the Air Commander, Africa successfully attacked enemy columns, tank concentrations, and strong points. The air raids on Malta continue in waves.

3. Eastern Front:

In the course of the raids on Feodosiya on 3 Jan. one transport of 500 GRT was sunk, and a steamer of 5,000 to 6,000 GRT and a floating crane were damaged. One steamer of 6,000 to 8,000 GRT was probably damaged. Feodosiya was mined once more during the evening of 3 Jan.. On 4 Jan. continuous raids in support of the Army's defensive battles as well as renewed raids on Feodosiya. The aerial situation in the Crimea has taken a turn for the worse because the enemy has set up two air fields.

VIII. Warfare in the Mediterranean

1. Enemy Situation:

Western Mediterranean:

During the night of 3 Jan. a DIDO class cruiser sailed from Gibraltar on an unknown course.

Central and Eastern Mediterranean:

According to German photographic reconnaissance, two cruis-

4 Jan. 1942

CONFIDENTIAL

ers, six destroyers, five merchant vessels, and four submarines were lying in Valetta in the morning. Air reconnaissance sighted two merchant vessels and two destroyers near Benghazi; two light cruisers and three merchant vessels near Ras Haleima; one large merchant vessel and one destroyer near Bardia; and two destroyers near Alexandria. On 3 Jan. Italian radio monitoring located at sea the LEGION destroyer flotilla, cruisers of the 7th Cruiser Division, and vessels belonging to the coastal squadron. The AURORA was also presumed to be at sea.

On 4 Jan. at 1040 Malta-based British reconnaissance planes spotted the Italian supporting force for the first time, and they maintained contact until 1750. According to radio monitoring British air reconnaissance reported neither the convoy nor the escort group.

On 3 Jan. the British Admiralty confirmed the sinking of the cruiser NEPTUNE and the destroyer CANDAHAR by mine hits in the Mediterranean.

2. Situation Italy:

The transfer of the 53rd (or 1st) Transport Squadron and the departure of the escort and supporting groups began according to plan on the afternoon of 3 Jan.. During the night of 3 Jan. the DORIA turned back toward Taranto because of minor engine trouble. On 4 Jan. nine Italian submarines are at their scheduled waiting positions in the Mediterranean. Two submarines are outbound and four are on the way home.

There are no reports concerning engagements with enemy forces.

3. Transport of Supplies to North Africa:

Up to 1800 the transfer of the 1st Transport Squadron proceeded according to plan.

While attempting to enter Bardia on 2 Jan., apparently in ignorance of the changed situation, the transport submarine EMU was shelled from the coast and is now homeward bound.

4. Area Naval Group South:

Aegean Sea:

During the night of 3 Jan. enemy planes raided our naval base at Salamis. Submarine crew quarters were partly destroyed. Submarine group headquarters also sustained damage. The anti-aircraft protection is inadequate. Group South requests from the Commanding General, South a temporary reinforcement of anti-aircraft guns and night fighters to bridge the gap until the absolutely essential permanent anti-aircraft protection can be assigned (see Radiogram 1850).

The "Siena" transport group arrived in Piraeus from Suda. In agreement with Group South the Commanding General, Armed Forces, Southeast requests the Operations Staff of the Armed Forces High Command, the Army High Command, and the Naval Staff to assign him fifty naval barges. If necessary, they should be taken from the "Seeloewe" contingent. The request is based on the over-all situation which, according to the latest survey of land and sea transport conditions, calls for a relief of the strain on the Salonika-Piraeus and Piraeus-Crete transports through the use of a substantially larger number of these barges which have proved so effective. (See Radiogram 1520.)

Black Sea:Enemy Situation:

During the morning air reconnaissance observed lively supply traffic bound for Feodosiya, where four cruisers, five steamers, and one destroyer were lying to in the harbor. Cruisers and other light naval forces were observed off Feodosiya and Sevastopol.

Own Situation:

Due to ice conditions, convoy traffic from Constanta to ports in southern Russia has been discontinued until further notice. Danube flotillas again swept fourteen mines off the Dniester estuary in an area which had been free of mines up to now.

The Armed Forces High Command, Operations Staff, National Defense is informed that the pressure on the Southern Army Group in the Black Sea has lessened, as reported by Group South (see War Diary 3 Jan.). Text of the telegram 1/Skl I op 189/42 Gkdos., copies of which are forwarded to the Army High Command and Group South, is in War Diary, Part C, Vol. XIV.

IX. Situation East Asia:

The Naval Attache in Tokyo reports the following:

1. The Japanese Navy remains very optimistic and expects Singapore to fall by the middle of February at the latest. They expect and welcome the appearance of further enemy capital ships.
2. Strong units of the Naval Air Force have been transferred to Penang to operate against the Malacca Strait. Submarines are stationed off the Sunda Strait.
3. Landings are planned on eastern Sumatra and eastern Borneo after mopping up in the Philippines has been completed. These will be followed by an attack on Port Darwin from which point the enemy may, and probably will, launch countermeasures. Furthermore it is planned to occupy all strategically important South Sea islands between New Caledonia and Hawaii.
4. Preparations are in progress to send auxiliary cruisers, aircraft carriers, and submarines to the Indian Ocean.
5. It is certain that twenty of the enemy's fifty submarines have been destroyed up to this time.
6. Japanese air raids destroyed all enemy planes stationed on Tarakan (Borneo) and Menado (Celebes).
7. It is expected that U.S. heavy bombers will be transferred to Chungking via Calcutta for raids against Osaka.

The Naval Staff informs the Armed Forces High Command, Operations Staff, National Defense and the Commander in Chief, Air of this re-

port. Copy of the corresponding telegram 1/SK1 I opa 17/42 op Gkdos. Chefs. is in War Diary, Part C, Vol. XV.

X. Army Situation:

1. Russian Front:

Southern Army Group:

Enemy forces in the Crimea are receiving continuous reinforcements from new landings at Kerch and Feodosiya. Parachute troops were dropped east of Simferopol. The supply situation of the 1st Panzer Army and the 17th Army is critical. The roads are almost impassable for anything but sleds. Enemy units which broke through at the 6th Army sector north and south of Rzhev have apparently merged.

Central Army Group:

At the 2nd Army sector, the enemy managed to break through the left flank of the 16th Motorized Infantry Division with forty heavy tanks and penetrate almost to Kursk. A counterattack has been launched. Strong enemy attacks on almost all sectors of the 4th and 9th Army partly succeeded in breaking through our lines, or were beaten off with the aid of our last reserves. Automatic weapons sometimes failed to function because of the cold.

Northern Army Group:

It has not yet been possible to mop up all the enemy troops which broke through our lines near Soltsy on 3 Jan.

2. Finnish and Norwegian Front:

The enemy captured the island of Suursaari (Hogland) by a surprise raid. Local skirmishes at the Karelian Army sector.

3. North Africa:

Strong enemy forces probed toward the Agedabia front. Agedabia air base had to be evacuated because of enemy harassing fire. The withdrawal of the Italian infantry division to the Marada el Aghella position was executed according to plan. The enemy laid a heavy artillery barrage on the Halfaya position.

5 Jan. 1942

Items of Political Importance

Norway:

Swedish reports state that the latest attacks on Norway had the effect of considerably influencing public opinion in Britain in favor of a more aggressive conduct of the war. Such operations are said to be good training for larger tasks, while painfully disturbing German prestige. Above all, however, they disprove the theory that the wall from North Cape to the Bay of Biscay is impregnable.

Great Britain:

No concrete facts can be gathered from Eden's broadcast on the Moscow conference. Aside from the time-worn phrases against Hitler and German militarism, the only interesting remark was that the Moscow conferences have convinced the speaker that closer political cooperation can become a reality. Unquestionable, however, is the fact that mutual distrust must first be eliminated. For details see Political Review No. 3, Paragraph 3a.

Prior to his departure for India General Wavell stated in his farewell address that, with regard to his new post of Commander in Chief of the Southwest Pacific, the early Japanese successes have created conditions similar in many aspects to those which prevailed in the Middle East after the collapse of France. Until the inevitable turning point conditions might become worse.

According to British reports, the Anglo-American powers have informed the representatives of German-occupied countries that they would strive for the restoration of their full independence. However, it was emphasized that not all the pigmy states of the Versailles system should be revived. This apparently means that the Baltic countries, which have already "voluntarily" decided in favor of incorporation into Soviet Russia, could not count on the restoration of their independence.

Portugal:

According to a report from the German Legation which refers to the war of nerves which British propaganda wages against Salazar's government, the Portuguese Government is in basic agreement with the new European order; in consideration of her colonial possessions and sea lanes, however, she must for the time being refrain joining the anti-British front in a demonstrative way. Salazar is said to have no doubt that a victory of the Allies would mean the end of the new Portugal.

South America:

As was expected, the Japanese note to all South American countries in which she emphasized her friendly attitude brought no official reply. However, the Japanese Foreign Ministry is of the impression that the attitude of these countries toward the U.S. has nevertheless become somewhat cooler. The same is noted in a report from Paraguay which emphasizes that the South American countries will try to resist even strong U.S. pressure to sever diplomatic relations and declare war on the Axis powers. The report further points out that the development of the war cannot fail to influence the course of the Rio conference.

5 Jan. 1942

CONFIDENTIAL

Japan:

The Japanese Foreign Ministry is confident that the main objectives in the South will be reached, and expects that Washington has come to the decision to take temporarily a defensive attitude in the Pacific and in the South. Allegedly considerable efforts are being made to bring about Russia's active participation in the war against Japan. Tokyo is watching the situation in the North carefully, so as not to be caught by surprise.

The conciliatory attitude toward Portugal in connection with the occupation of Timor is said to have been taken out of consideration for the South American countries, particularly Brazil.

Conference on the Situation with the Chief, Naval Staff.

I. The opinion of the Naval Staff, Operations Division concerning the measures taken by Group West for the departure of the tanker BENNO and ship "10" (see War Diary 3 Jan.; West Area, Own Situation) was endorsed by the Chief, Naval Staff after a report by the Operations Division of the Naval Staff, Merchant Ships Section. The Senior Staff Officer of the Group will acquaint himself with the ideas of the Naval Staff in personal conference in Berlin.

II. The Commander in Chief, Air has directed his subordinate commands not to comply with the Navy's requests for reconnaissance and escort forces for the transfer of the TIRPITZ until the Fuehrer gives his consent to the operation. The Air Force's attitude concerning the preparations is extremely disturbing and no doubt primarily due to acute shortages. During the conference which is to take place in the near future upon the suggestion of the Commander in Chief, Air, the Chief, Naval Staff will bring this subject to discussion.

Situation 5 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

South Atlantic:

The light cruiser CINCINNATI left Pernambuco with the destroyer JOUETT on 29 Dec.. Contrary to press reports neither this cruiser nor the cruiser TRENTON belongs to the U.S. East Asia Fleet. (See War Diary 3 Jan.; East Asia, Enemy Situation.) The British cruisers DEVONSHIRE and DORSETSHIRE arrived in Pernambuco on 2 Jan.. The BULOLO was located off Montevideo on 3 Jan.

The German Armistice Commission reports that the French plan to substitute unescorted, fast dispatch boats and auxiliary cruisers for the disrupted merchant ship traffic between West Africa and Madagascar. For the initial run the auxiliary cruiser BOUGAINVILLE is scheduled to leave Dakar in the beginning of January. For further news see Situation France.

Radio decoding intercepted a broadcast from the Commanding Admiral, South Atlantic on 16 Dec.: "INDOMITABLE is to patrol the route to . . . reconnoitering as large an area as possible by plane, and is to report on the usefulness of the planes upon arrival in Durban. Position on 4 Jan. is Cape of Good Hope area". The object of this search can unfortunately not be determined.

Pacific Ocean:

A Japanese source in Mexico which is said to be reliable reports that on 14 Dec. two battleships, one carrier, several cruisers and small vessels passed through the Panama Canal en route to the Pacific.

2. Own Situation:

Radiogram 2336 directs all supply ships to stand by for urgent messages in the area east of 36° W and north of 30° N not only at the times of the scheduled broadcasts of the beam transmitter and station Norddeich but at other times also.

Information about the enemy situation by Radiograms 2044 and 2106.

Because the Meritorious War Service Pennant is intended as an incentive for skippers of merchant vessels to perform service above and beyond the call of duty, the Naval Staff proposes to amend the regulations for its award so as to include prize skippers, who command foreign merchant vessels under difficult conditions, and also commanders of auxiliary cruisers which take prizes, as skippers of armed merchant vessels. The amendment would also give regular naval officers in the above-mentioned posts the right to fly the pennant, provided they sign up for postwar service in the merchant marine. Letter to this effect, 1/Sk1 Ik 166/42 geh., is in War Diary, Part B, Vol. V.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Atlantic Coast:

The Admiral, Western France considers the present anti-aircraft artillery defenses of Brest adequate protection against enemy forces at their present strength, but inadequate against stronger enemy forces which might attack in the future.

Otherwise nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

5 Jan. 1942

CONFIDENTIAL

Enemy Situation:

According to radio monitoring, a mine sweeper at Lowestoft directed the auxiliary vessel ALFREDIA into port with survivors from a sunken steamer.

Own Situation:

In an enemy air raid on an east-bound convoy the Danish steamer CORNELIA MAERSK was sunk by two bomb hits off the entrance to Hook of Holland.

2. Norway:

Enemy Situation:

According to radio monitoring, a southeast-bound convoy, presumably PQ 7, was located 70 miles northwest of Svyatoi Nos.

Own Situation:

The submarine group of the Admiral, Arctic Ocean was sent into action against a reported convoy. On 4 Jan. the 8th Destroyer Flotilla with destroyers Z "23", "24", "25", and "27" arrived in Kirkenes. On 5 Jan. Z "27", which was put out of action, set out with Z "26" to return to Germany for repairs. Excessive bearing play in the tail shaft bracket is responsible for the regrettable casualty.

The Commander in Chief, Air directs the Quartermaster General, Division IV to transfer the catapult ship SCHWABENLAND as soon as possible from Brest to Norway in cooperation with the 5th Air Force and the Air Force General with the Commander in Chief, Navy. The 3rd and 5th Air Forces, the Commanding General, Air, Central Area, and the Naval Staff are requested to arrange details of protection and escort for the transfer directly with the Air Force General with the Commander in Chief, Navy and the responsible naval offices (see Radiogram 1440). The Air Force General with the Commander in Chief, Navy instructs the 3rd Air Force to issue sailing orders for the SCHWABENLAND in cooperation with the Admiral, Channel Coast.

The Naval Staff informs Group North, the Commanding Admiral, Norway, and the Fleet Branch of the Naval Staff, Quartermaster Division about the directive which the Armed Forces High Command issued to the Commanding General, Norwegian Theater on the basis of experiences gained during the British operation against Vaagsoe Island. This directive is to be brought to the attention of the entire Norwegian coastal front, so that proper action may be taken. The Commanding Admiral, Norway is requested to give his opinion and to make further suggestions. Copy of the directive of the Armed Forces High Command as per 1/Skl 53/42 Gkdos in War Diary, Part C, Vol. X.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

Group North issued the operations order for the mine-laying mission in the Skagerrak on 7 Jan.. Patrol boat "1611", sunk on 29 Oct. near Halsbarre, was raised and towed to Aalborg.

5 Jan. 1942

CONFIDENTIAL

The 3rd transport group with the 225th Infantry Division left Danzig on 4 Jan. en route to Riga, and the 4th transport group left on 5 Jan.. The port of Riga cannot be opened for unrestricted commercial traffic because there is danger that the harbor might become icebound again should the wind change direction. A number of sufficiently powerful icebreakers are being provided for troop transports. As directed by Group North, the SCHLESWIG HOLSTEIN leaves on 6 Jan. for Gdynia to refuel, and from 9 Jan. on she will stand by for ice-breaking services on the route to Riga.

Although the Commander, Mine Sweepers, North considers it impossible for ships to travel the coastal inter-island route between Hangoe and Helsinki without anti-mine escorts, the Naval Liaison Staff, Finland reports that Finnish commercial shipping has been using this route for the last two weeks so that it can be considered free of mines. Therefore Hangoe can also be counted on as a port of debarkation.

V. Submarine Warfare

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Armed reconnaissance planes bombed and damaged a 1,000 GRT steamer near the Faroe Islands. In night raids against ship targets two steamers were attacked without success on the southwest coast. Near Land's End one 4,000 GRT steamer was damaged, and another 3,000 GRT steamer probably damaged. Thirty planes laid mines in the Thames. No enemy raids were reported.

2. Mediterranean Theater:

For observations by air reconnaissance see Enemy Situation, Mediterranean Theater.

3. Eastern Front:

Our reconnaissance sighted enemy movements in preparation for a landing at Feodosiya. In the ensuing attack six transports or steamers were damaged by bomb hits, some severely. Two destroyers and another steamer were probably damaged. Photographic reconnaissance off Feodosiya at about 1300 showed one steamer burned out and two still burning in the harbor. During the night of 4 Jan. twelve planes laid mines outside Feodosiya. The current attacks against ships and ground targets in the Feodosiya sector were continued throughout the day and during the night of 5 Jan.. At noon Kerch Strait was observed to have

been closed by ice; a number of vessels were icebound. For further observations by air reconnaissance see Enemy Situation, Black Sea.

Organization:

The Air Force General with the Commander in Chief, Navy submits a request from the Commander, Naval Air for a decision on the endorsement which the 5th Air Force requested from him concerning revision of North Sea reconnaissance and combat boundaries between the 5th and 3rd Air Force and the forces of the Commander, Naval Air as proposed by the Commander in Chief, Air. The revised plan allocates the sector north of the line Lindesnaes-Stonemouth to the 5th Air Force; the sector south of this line and east of the line running from Helder to a point at 56° 20' N, 05° 30' E to the Commander, Naval Air; and the sector south and west of the two aforementioned lines to the 3rd Air Force. (See War Diary 23 Dec. and 1 Jan. and Radiogram 1405.)

VII. Warfare in the Mediterranean

1. Enemy Situation:

Western Mediterranean:

According to a broadcast intercepted by radio monitoring on 30 Dec., submarines leaving Gibraltar en route to Malta are being used to carry supplies. According to radio messages relayed from Gibraltar via Malta to the cruiser HERMIONE, she must be located in the western or central Mediterranean.

Central and Eastern Mediterranean:

According to air reconnaissance several groups of steamers with cruiser and destroyer escorts were located off the African coast in the eastern Mediterranean. No heavy vessels were sighted. According to radio monitoring, Malta had eight air-raid alarms during the night of 4 Jan., and four alarms between noon and 1700 on 5 Jan.. The first report from British planes about the current Italian operation was intercepted at 1000. It reported the returning group GARIBALDI as consisting of four cruisers and four destroyers. Contact was lost soon afterwards because the contact plane was driven off by Italian planes. Contact with the supporting group, which had been lost in the afternoon of 4 Jan., was not regained during the night nor the next day, despite the fact that Malta had ordered all airborne enemy planes to attack at midnight. Why the enemy failed to follow up on these orders is not clear from available reports, which also fail to mention visibility conditions.

2. Own Situation:

Two units of the 3rd PT Boat Flotilla arrived in Augusta without having seen the enemy.

3. Situation Italy:

The support and escort groups of the 1st (53rd) Transport Squadron began their return trip during the night of 4 Jan.. The four destroyers belonging to the cruiser group GARIBALDI were sent to Trip-

5 Jan. 1942

CONFIDENTIAL

oil because of bad weather. The six vessels of the convoy arrived in Tripoli at 1600. On 4 Jan. the Italian motor mine sweeper S. PIEDRO was sunk by an enemy submarine and gunfire. The Italian steamer SILIO was torpedoed near Cefalu, Sicily but was able to make port under her own power. At 1100 fourteen Italian submarines were at their assigned positions in the Mediterranean.

4. Transport of Supplies to North Africa:

For reports concerning the transfer of the 1st Transport Squadron as planned see Situation Italy. On 4 Jan. one naval barge had arrived in Ras el Aali and another in Zuara. On 4 Jan. the hospital ship VIRGELIS left Tripoli en route to Naples with 300 German wounded aboard.

5. Area Naval Group South:

Aegean Sea:

During the night of 4 Jan. enemy planes again raided the naval base at Salamis without causing any damage.

A copy of the order which Group South issued to the Commanding Admiral, Aegean Sea directing him to investigate whether, in view of the lack of net barrage material, Milos could be effectively protected by mines instead of the planned net barrage is forwarded to the Naval Staff by Radiogram 1950.

Black Sea:

Enemy Situation:

According to reports from the Naval Shore Command, Ukraine and the IV Air Corps, the Russians landed in Eupatoria at 0230 with six destroyers and four transports. (Cf. warning of the Commander in Chief, Navy to the Armed Forces High Command in War Diary 3 Jan..) According to aerial photographs there were one battleship, two heavy cruisers, thirteen steamers, two tankers, and two floating docks in Novorossisk at noon. One cruiser and two steamers were lying to in Tuapse. One destroyer, fifteen PT boats, three light cruisers, and three steamers were located in the bay of Eupatoria. One cruiser, one destroyer, one torpedo boat, and six steamers were located in Sevastopol.

According to a belated report from Group South, the Russian submarine which the Rumanian destroyer REGINA MARIA had attacked on 11 Dec. near Capul Sabla was most likely sunk. Group South recommends publication in the Armed Forces communique for the effect on morale. (See Radiogram 1900.)

Own Situation:

According to reports from the Army High Command, General Staff, the Fuehrer demands the immediate allocation of shipping space at Odessa for transporting to the Crimea a division arriving there on or about 15 Jan.. The Commander in Chief, Army requests data on the possibilities of sea transport for his report to the Fuehrer on 6 Jan. at 1200. (See Radiogram 2155.)

5. Situation France:

According to reports from the German Armistice Commission, the steamer COMDE, escorted by a dispatch vessel and a submarine, is scheduled to provide the second connection between West Africa and Madagascar by the beginning of February. The French emphasize the purely military character of this supply transport as approved by the Armistice Commission, which will carry neither civilians nor military replacements. A decision by the Naval Staff is requested. (See Radiogram 1315.)

VIII. Situation East Asia1. Enemy Situation:

The combat efficiency of the Chinese troops which have arrived in Burma is rated high by the Japanese. Air forces on the Andaman Islands have been reinforced. According to a Mexican report, one of the Panama Canal locks is not functioning properly, and the oil dumps at Pearl Harbor were almost completely destroyed during the Japanese attack. According to an agent's report, an American expeditionary force for New Zealand is being assembled in New Orleans. The New Zealand Division in the Middle East is to be withdrawn. Transfer is to begin during the first week of January at Suez. Furthermore, U.S. capital ships are supposedly en route to New Zealand. In any case, many smaller vessels have been sent there.

2. Situation Japan:

The Japanese occupied the Bokpyin air field, 150 km. north of Victoria Point. On the Malay Peninsula severe battles are raging southwest of Kuantan.

IX. Army Situation1. Russian Front:Southern Army Group:

Between one and two Russian battalions equipped with heavy weapons landed in Eupatoria during the early morning. During the day strong units of our own troops, forming the "Mueller" group, were moved up to Eupatoria. Bitter house-to-house fighting in the town. The beachhead is being isolated. Further enemy landings are expected. The Sevastopol front is quiet. On the Feodosiya front, Karagoz was taken by the Rumanian Mountain Corps. Increasing enemy parachute troops and air raids on railroads lead to the conclusion that a decisive operation is imminent. The arrival of strong reinforcements behind enemy lines in the 1st Panzer Army and 17th Army sectors point to a new offensive. At the 6th Army sector our "Neuling" group was cut off by the enemy near Oboyan. Relief forces are approaching.

Central Army Group:

Increased enemy air activity at the 2nd Army sector. There

5 Jan. 1942

CONFIDENTIAL

are indications that enemy troops east of Kursk are being relieved. The Army Corps on the Moscow front continue their tenacious defensive battles. Temporary enemy break-throughs; a counterattack mopped up the enemy forces which had broken through near Rzhev.

Northern Army Group:

Enemy attacks north of Lake Ilmen were repulsed or smashed before they could develop.

2. Finnish and Norwegian Front:

Unsuccessful enemy attacks in the Svir sector and near Povyenets. Lively aerial activity during the night on the Murmansk front.

3. North Africa:

The superior enemy forces no longer advanced to the west or southwest. Enemy reconnaissance activity and artillery interdiction fire on the Agedabia front. On the Halfaya front continuous enemy air attacks on the bases at Halfaya and Cirene. The withdrawal by sections of motorized units in the Marada el Agheila position started in the evening without enemy pressure.

6 Jan. 1942

Items of Political Importance

France:

The British press strongly criticizes De Gaulle's political activities because of his dictatorial inclinations. His adventure on St. Pierre and Miquelon has made him thoroughly unpopular in the United States.

India:

A group of prominent Indians submitted a petition to Churchill to secure the lasting aid of India by a sweeping, far-sighted political act. The petition proposes to postpone the final drafting of a constitution until after the war and to enlarge the Central Executive Council so that it may function as an autonomous national government. Democratic governments should be established in the provinces and India should be allowed to send representatives to the Empire War Cabinet, all Allied War Councils, and the peace conferences.

To evaluate this information it would be necessary to know whether this group of prominent Indians represents all Indian parties (Hindus, Moslems, and Rajahs).

Egypt:

In view of the conspicuously strong movements of British troops to Iran, it is suspected in Cairo that the British fear the Russians might occupy British spheres of interest, contrary to agreement, particularly since the Anglo-Russian understanding on Iran is none too satisfactory.

Portugal:

The transport of 1,100 Portuguese troops from Mozambique to Timor has been delayed by the government, allegedly because the British did not keep their promise to evacuate Timor. Negotiations are being continued.

Finland:

U.S. and British attempts to persuade Finland to break away from the Axis are being continued.

U.S.S.R.:

To the Chinese statement that Russia is automatically at war with Japan after having signed the new agreement of the Allies in Washington, a spokesman of the Japanese Foreign Office declared that Russo-Japanese relations will continue on the basis of the Neutrality Pact so long as Russia does not join the ranks of the democracies against the signatory powers of the Anti-Comintern Pact.

This obviously means so long as she does not attack Japan.

Turkey:

According to French press dispatches, Ankara is greatly perturbed about Eden's negotiations in Moscow. It is feared that the Anglo-Russian

6 Jan. 1942

CONFIDENTIAL

friendship is being concluded at the expense of Turkish interests.

Serbia:

On German request Bulgarian troops occupied part of Serbia to relieve the German troops there.

U.S.A.:

The sharp criticism by "Pravda", which accuses the Americans of ineptitude and cowardice because of the speedy capitulation of Manila, caused a great deal of excitement in the Anglo-American press. The Soviet attitude gave rise to some acid comments in the British and a good deal of indignation in the American newspapers. (See Political Review No. 4, Paragraph 13a.)

According to a Brazilian report, the U.S. Government intends to add the following problems to the agenda for the Rio conference: The Azores; unified steps to combat national-socialist and fascist movements; consolidation of all American navies under U.S. command; cession of part of the confiscated merchant ships to the U.S.; and the establishment of a convoy system under U.S. protection.

Argentina:

According to a report from the Embassy, rumors persist that the U.S. wants to take over British capital investments in Argentina, particularly the railroads. However, up to now there is no concrete evidence of such intentions.

Brazil:

The President's efforts to form a front against U.S. demands continue. Argentina's suggestion of an unofficial advance meeting in Buenos Aires prior to the Rio conference has caused considerable irritation in Washington.

Japan:

Japanese Headquarters categorically deny the foreign reports about alleged indiscriminate maltreatment by Japanese military authorities of all members of the white race in Manila.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief, Naval Staff, Quartermaster Division reviews the progress made in the construction of coastal defense installations in Norway, and reports that the Navy has completed on schedule oil deliveries to the Italian Fleet.

II. The Chief, Naval Construction Division reports that repairs on the damaged dock caisson at Brest can probably be completed ahead of schedule. To judge from the present situation, the GNEISENAU can probably undock on 17 Jan.

III. The Chief, Naval Ordnance Division emphasizes the excellent work performed by all those who participated in repairing the damaged

6 Jan. 1942

CONFIDENTIAL

SCHARNHORST. He reports increased difficulties in installing the new anti-aircraft fire control stations on ships, because the only available floating crane in Brest has capsized due to causes (bomb hit, sabotage?) which are as yet undetermined.

IV. The Chief, Naval Ordnance Division further reports on the new directive of the Armed Forces High Command, National Defense Division which has already been submitted to the Fuehrer. On the basis of estimated raw material supplies for 1942 this directive will order a further cutback of already sharply curtailed Navy and Air Force raw material quotas in favor of the Army. The Chief, Naval Ordnance Division proposes still attempting to change the Fuehrer's decision at the last moment by way of the Naval Liaison Officer at the Armed Forces High Command. The Chief of Staff, Naval Staff considers that it is too late for such an attempt.

V. The Chief, Naval Staff, Foreign Affairs Section reports on the course of negotiations of the Armistice Commission; there is at present little hope for a satisfactory solution because of the stubborn persistence of the French in their political and economic counterdemands.

VI. Since enemy activities in the eastern Baltic Sea will probably revive this spring, the Chief, Naval Staff orders that the problem of diverting the remaining coastal batteries on Hela to other uses be investigated once more. Likewise, the problem of transferring PT boats to the Black Sea is to be re-examined in view of its vital importance. Possibly, considering the present situation, it might be necessary to resort to using the PT boats in the west.

VII. The Chief of Staff, Naval Staff reports on a telephone conversation with Gauleiter Terboven. The latter expressed the desire that the Navy should renounce any claim to Norwegian ships in order to induce Quisling to cooperate closely with the Gauleiter. The Navy cannot agree to such a measure. Aside from the fact that the reason for discord between Terboven and Quisling is to be found in factors which are in no way connected with the treatment of the completely anti-German ship owners, it is impossible to let them use their ships at their own discretion, i.e., in favor of the enemy.

Special Items:

I. A copy of the report of the Adjutant to the Fuehrer, Captain von Puttkamer, of the Fuehrer's remarks on 4 Jan. concerning the return of the ships now in Brest through the Channel and concerning Japanese naval tactics as per 1/Skl 35/42 op Gkdos. Chfs. is in War Diary, Part C, Vol. IIB.

II. The Chief, Special Staff for Economic Warfare at the Armed Forces High Command and the head of the Military Commission of the Tripartite Pact report to the Foreign Minister, with notice to the Armed Forces High Command and the chiefs of the various branches of the service, on the problem of German-Japanese cooperation in the fields of war economy and economic warfare. The report concerns the release of samples of German war material and special equipment, and the problem of transporting them to Japan; the problem of expanding raw material imports to Germany by means of blockade-runners; and problems of coop-

6 Jan. 1942

CONFIDENTIAL

eration in the fields of economic warfare and the war against merchant shipping on a basis similar to the German-Italian agreement of 17 Aug. 1940. In closing, the report proposes to start conferences between the Office of War Economy and Armaments or the Special Staff for Economic Warfare of the Armed Forces High Command and corresponding Japanese representatives at once, in order to establish practical cooperation as soon as possible.

III. On the basis of available data, the Naval Staff thinks there is sufficient proof that the British are able to sweep German mines equipped with Fab XI successfully. On the other hand, there exists as yet no sweeping device for our own use so far as the Naval Staff knows. Therefore, the Naval Staff again requests the Naval Ordnance Division and the Underwater Obstacle Branch to design and build a device for sweeping our mines which are equipped with Fab XI detonators, a measure which is also in accord with the principles of the Fuehrer directives.

Copy of letter 1/Sk1 IE 150/42 Gkdos. in War Diary, Part C, Vol. VI.

Situation 6 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Due to a major change in British means of communications after 1 Jan. 1942, insight into British naval activities by decoding and monitoring has temporarily been sharply curtailed.

See War Diary, Part C, Vol. I for the report of 22 Sept. 1941 from the Commanding Officer of ship "16" concerning evaluation of statements from captured enemy merchant marine captains which deal, among other things, with the situation in Britain and a general appraisal of the war situation as per 1/Sk1 28979/41 Gkdos.

No reports are available.

2. Own Situation:

Information on enemy situation by Radiograms 2120 and 2354.

II. Situation West Area

1. Enemy Situation:

No reports.

2. Own Situation:

Atlantic Coast:

Enemy air raids on Brest between 0602 and 0852 and at 2030. During the latter attack a bomb exploded in the flooded dock between the side of the dock and the hull of the GNEISENAU, slightly damaging the vessel's skin plating at the height of compartment V. The longi-

6 Jan. 1942

CONFIDENTIAL

tudinal torpedo bulkhead remained undamaged. The outer passageway, compartments IV to VI, and the inner passageway, compartment V, are flooded. It remains to be seen what other damage was caused.

Since the morning attack accidentally coincided with the docking of the GNEISENAU, the Commanding Admiral, Battleships had Group West publicize news of renewed damage to the GNEISENAU. The Naval Intelligence Division and the Secret Intelligence Section, Armed Forces High Command were informed by the Naval Staff, Operations Division via Telegram 1617.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio monitoring reports that the DUKE OF YORK is probably at sea somewhere around Scotland. Lively air activity in the direction of Stavanger and Bergen.

Own Situation:

The 13th Mine Sweeper Flotilla is en route from Cuxhaven to Hanstholm. At noon reconnaissance planes, probably the enemy's, at high altitude over area Emden-Hamburg. One bomb dropped near Cuxhaven.

2. Norway:

Enemy Situation:

The Naval Attache, Stockholm quotes an unidentified source to the effect that there is talk at the British Embassy in Stockholm about an impending action against Narvik and the ore railroad. Information of Group North and Commanding Admiral, Norway by Radiogram 0404.

Own Situation:

Air reconnaissance against convoy in area Svyatoi Noss and the entrance to the White Sea discontinued in view of weather conditions. Advance submarine patrols were shifted farther north. PT boats S "44" and S "46" arrived in Vardoe and are laid up until 8 Jan.. The COBRA left Tromsø at 0700 for mining operations.

To strengthen the position of the air force in Norway the Commander in Chief, Air has ordered the immediate transfer of the catapult ship SCHWABENLAND to northern Norway (see War Diary 5 Jan.) so as to expand the reconnaissance radius. He also ordered the immediate transfer of Bomber Squadron 1/906 (He 115) to Stavanger Sola to operate with aerial torpedoes, subordinate to the 5th Air Force.

Group North is informed of the above measures by Radiogram 1221, and di-

6 Jan. 1942

CONFIDENTIAL

rected to arrange for appropriate assignment of SCHWABENLAND to convoys while keeping the General, Air, Central Sector informed of the ship's movements. The Air Force General with the Commander in Chief, Navy and the Commander, Naval Air received notice of this directive.

The Admiral, Arctic Ocean criticizes mention of sinking a steamer in the Arctic Ocean in the Armed Forces High Command communique, since it can be assumed that this sinking by U "134" had probably passed unnoticed. (See Radiogram 1915.)

To the directive of the Naval Staff as to prerequisites for the TIRPITZ raid against the convoy route (see War Diary 2 Jan.) Group North reports on 3 Jan. that these conditions make it impossible to execute the raid in its intended form. Thus the advantage of avoiding a later concentration of enemy submarines off Trondheim would be lost. The operations orders provide for the possibility of brief raids on chance targets en route to Trondheim. Group North further reports that it has no data showing that the enemy's Murmansk and White Sea traffic proceeds the whole distance under cruiser and destroyer protection. The fact that an unescorted ship was torpedoed near Bear Island supports this supposition. Even if future operations against enemy ships on the open sea are supported by destroyers, which curtail the freedom of movement, the risk can never be appreciably reduced.

On 3 Jan. the Commanding Admiral, Norway submitted to the Naval Staff and Group North a comment on the operations directive from the Naval Staff which puts the 8th Destroyer Flotilla at the disposal of Group North during the TIRPITZ' transfer to Norway. He points out that such a procedure would make most of the tasks assigned to the Admiral, Arctic Ocean impossible, and that destroyer operations based first on Kirkenes and then on Trondheim, a point 1,000 miles away, cannot be advocated in view of the fuel oil shortage and the wear and tear on machinery. The Commanding Admiral, Norway requests that any plans which may have been made for transfer of the 8th Destroyer Flotilla be abandoned.

The Naval Staff is of the opinion that the objections of the Commanding Admiral, Norway are exaggerated. Since the transfer of the TIRPITZ will not last forever it should not be difficult for Group North to coordinate the two missions of the 8th Destroyer Flotilla.

In accordance with this opinion, Group North notified the Commanding Admiral, Norway on the same day that the Group is in charge of the operation and that further objections to the Naval Staff will therefore be superfluous; also that the tasks of the naval forces of the Admiral, Arctic Ocean are known to the Group, and his needs will be considered if available forces have to be utilized.

It is regrettable that the chronic lack of naval forces sometimes causes such unwarranted friction among the commands in their pursuit of their interests which are generally recognized as justified. It is certainly not always easy to adhere to the existing organizational setup in disposing the forces, which are usually insufficient.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

On the basis of observations by the Naval Liaison Staff, Finland concerning the safety of the coastal inter-island route, the Naval Staff informs the Naval Liaison Officers with the Armed Forces High Command and the Army High Command that debarkation of the 7th Mountain Division is planned in Hangoe now that a survey has established the feasibility of doing so.

The 5th transport group of the 225th Infantry Division has left Danzig for Riga. The 6th group is to follow on 7 Jan.

Nothing further to report.

V. Submarine Warfare1. Enemy Situation:

According to a radio message monitored during the afternoon, a bomber was shadowing a submarine. The location was not established.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare1. British Isles and Vicinity:

For news of enemy air raids on Brest see Situation West Area. Bomber Squadron 506 sank a 3,000 GRT steamer in a convoy of eight to ten ships near Newcastle.

2. Mediterranean Theater:

For reconnaissance observations see Enemy Situation, Mediterranean.

3. Eastern Front:

Results of air raids on 5 Jan.: In Feodosiya and vicinity one PT boat was sunk, one freighter was probably sunk, and one large transport and one steamer were damaged. Near Eupatoria one destroyer and one PT boat damaged. For reconnaissance observations see Enemy Situation, Black Sea.

Strong aerial support for army operations in the Crimean Theater and for the Central Army Group.

VII. Warfare in the Mediterranean

1. Enemy Situation:

According to an Italian report, the HERMIONE was at sea this morning in the western Mediterranean. During the afternoon a group of two heavy and two light cruisers and four destroyers heading west were sighted by Italian air reconnaissance off the Marmarica coast. The group was likewise located by Italian radio monitoring, which also spotted the DIDO in the Mediterranean. The latter had been presumed to be en route from Bermuda to Gibraltar. Submarines were sighted near Cotrone and south of Crete.

2. Own Situation:

Naval Staff directives to the German Naval Command, Italy concerning mining operations against Malta as per letter 1/Skl IE 27/42 Gkdos. Chefs. in War Diary, Part C, Vol. VI.

3. Situation Italy:

All Italian escort and supporting forces for the 1st Transport Squadron, except a few destroyers, have arrived at their operations bases.

In a submarine chase outside Taranto one enemy submarine was probably damaged or sunk by depth charge attacks of a torpedo boat. The Italian submarine SAINT BON, which left Taranto en route to Palermo, has been missing since she passed the Straits of Messina on the morning of 5 Jan.. Evidence of an explosion and debris have been established; therefore the ship must be considered lost.

Enemy air raid on Tripoli during night of 5 Jan.. No damage reported.

4. Transport of Supplies to North Africa:

The steamer STURLA arrived in Buerat el Hsun from Tripoli. Four transport submarines are scheduled to depart for Tripoli within the next few days.

5. Area Naval Group South:Aegean Sea:Enemy Situation:

Submarines were sighted north of Crete and near Naxos.

Own Situation:

A memorandum of the Italian Naval High Command, dated 21 Oct. and submitted to the Naval Staff by the German Naval Command, Italy, stated that Suda is preferable to Kalamata as a supply base for Cyrenaica.

For the time being the Italian Navy has shelved its plan for converting Suda Bay into a naval base (see War Diary 3 Jan.). However, since transports to the Cyrenaica may be resumed, the Naval Staff thinks it would be well to ask the Italian Naval High Command to review once more their present viewpoint, so as to convince them that their plans preferring Suda to Kalamata are ill advised.

6 Jan. 1942

CONFIDENTIAL

The Commanding Admiral, German Naval Command, Italy will therefore be informed of the Naval Staff's opinion and duplicates will be sent to Group South and the Commanding Admiral, Aegean Sea; this report, together with the preceding Italian suggestions, will be forwarded to the Naval Staff, Quartermaster Division. The Naval Staff's opinion is based on the fact that the strained transport situation in the Aegean Sea offers no prospect of relief for a long time to come. This situation prohibits stationing even one man more on Crete than necessary for the immediate defense and administration of the island. In comparison, the saving of 50 miles of supply route is completely unimportant. The argument against Kalamata, that its position exposes the transport route to Africa to submarine attacks, is even more valid as concerns the route from Suda.

Via Radiogram 1840 the Naval Staff receives information concerning a memorandum which the Armed Forces High Command, Operations Staff sent to the German General at Headquarters of the Italian Armed Forces. The memorandum points out the particular importance of increased preparedness for defense on Crete in view of the present situation in the Mediterranean. It directs the General to intervene with the Italian High Command to install sufficient coastal artillery in the Italian occupied sector of the island, in immediate cooperation with the Commanding General, Armed Forces, Southeast.

Black Sea:

Enemy Situation:

Air reconnaissance reports three steamers in Feodosiya at noon; one westbound naval vessel was located off Feodosiya, shelling the coast; one heavy cruiser north of Feodosiya; one damaged PT boat off Eupatoria. Photographic reconnaissance revealed the following vessels at Poti: One heavy cruiser; one vessel, probably a torpedo cruiser; six destroyers; three torpedo boats; sixteen submarines; one submarine tender; sixteen steamers; two tankers; and two floating docks.

Eight transports were spotted in Anapa; two cruisers and three transports on westerly course were spotted west of Novorossisk. Heavy coastal traffic between Anapa and Novorossisk was observed. At night cruisers and destroyers presumably use a base on the western Crimean Coast.

Own Situation:

Unexpected rise in temperature up to 0°C in the northwest corner of the Black Sea. The deadline for repairs on the DELFINUL has been extended to the middle of Feb.

Concerning the Army High Command's intention of transferring a division from Odessa to the Crimea by way of the sea (see War Diary 5 Jan.), the Naval Staff, partly on the basis of the report which it received on the matter from Group South (see Radiogram 0120), submits the following opinion to the Army High Command:

"The latest reports received here reveal the following situation:

1. Odessa is icebound, cannot be used. It is still uncertain whether Odessa is free of mines. At present ships can proceed

6 Jan. 1942

CONFIDENTIAL

only as far as Bugaz. Ice conditions are becoming increasingly worse. As the Naval Staff stated in yesterday's situation report, ice has halted all shipping to ports in southern Russia.

2. The mine situation outside the sea lanes Constanta-Sulina to Odessa to Nikolayev-Kherson is completely uncertain. There probably are mine fields in the area northwest of the Crimea.

3. The recent Russian landing in Eupatoria proves the effect of Russian naval supremacy also along the entire Crimean west coast.

4. Our mine sweepers as well as our patrol and escort forces are insufficient to cope with mine conditions and the enemy situation. Icebreakers are likewise unavailable.

5. No port of debarkation is available which could accommodate the steamers."

The Naval Liaison Officer at the Armed Forces High Command informs the Naval Staff about a telegram which the Armed Forces High Command, Operations Staff, Quartermaster Division sent to the Chief of the Army Mission in Bucharest. The telegram pertains to the directive from the Chief of Staff, Armed Forces High Command to appeal to Marshal Antonescu for the use of the Rumanian hospital ship to evacuate German casualties from Ukrainian and Crimean ports to Rumania and to arrange further details with the Army General Staff and the Commanding Admiral, Black Sea. The Naval Liaison Officer remarks that when he pointed out that prevailing ice conditions prevent execution of this task which the Fuehrer ordered, he was ignored. (Comment of the Fuehrer: The Russians travel over ice too.)

6. Situation France:

The German Armistice Commission has been informed (see Radiogram 1616) that there are no objections on the part of the Naval Staff as concerns French plans to send the steamer CONDE and escorting vessels to Madagascar (see War Diary 5 Jan.).

VIII. Situation East Asia

1. Enemy Situation:

The U.S. War Department reports that U.S. heavy bombers attacked Japanese forces in the latitude of Davao and scored three hits on a battle cruiser and additional hits on other naval vessels. One destroyer was sunk. The U.S. seaplane tender HERON sustained a bomb hit but was able to make port. Submarine situation on the western coast unchanged. Daventry reports further Japanese landings on Malaya south of the Perak and Bernam Rivers (100 km. north of Kuala Lumpur).

2. Situation Japan:

News Analysis No. 1/42 of the "Foreign Navies" series of the Naval Intelligence Division contains information about members of the Japanese Government and leaders of the Army and Navy.

6 Jan. 1942

CONFIDENTIAL

Commenting on the sinkings of the PRINCE OF WALES and the REPULSE, "The Japan Times and Advertiser" points to the great effectiveness of special Japanese explosives.

Headquarters reports renewal of heavy air raids on Corregidor and Olongapo since 1 Jan., attacks by Japanese warships on various Hawaiian ports, and large-scale attacks by the Naval Air Force on Singapore.

IX. Army Situation

1. Russian Front:

Southern Army Group:

Attacks by the "Mueller" Group reestablished the situation at Eupatoria. No new enemy landings took place at this sector. Enemy attacks at the Sevastopol and Feodosiya sectors were repulsed. Landing operations at Genichesk and the Chungar Peninsula are to be expected. Enemy feeler attacks at the 1st Panzer Army and the 17th Army sectors were smashed. Attacks on Byelgorod were defeated by the 6th Army. The 62nd Infantry Division relieved units which had been encircled near Oboyan. Fighting continues. Enemy forces which broke through our lines reached Shumakova on the Seim River.

Central Army Group:

Strong enemy pressure on Sukhinichi as well as attacks on Mozhaisk and near Kaluga were repulsed. North of Rzhev the enemy reached the railroad to the west in his advance to the south. Counterattacks have been launched.

Northern Army Group:

Enemy troops were able to break through our lines west of Soltsy. All other attacks were repulsed.

2. Finnish and Norwegian Front:

Enemy attacks across the Stalin Canal were repulsed. Local enemy success at the 4th Finnish Division sector.

3. Greece:

In Athens all places of business were closed because of a coal shortage. All traffic is at a standstill.

4. North Africa:

Situation unchanged. At Agedabia a sandstorm prevented contact with the enemy.

7 Jan. 1942

Items of Political Importance

U.S.S.R.:

Foreign Commissar Molotov submitted a voluminous note to all countries which have diplomatic representatives in Russia to inform them of allegedly systematically perpetrated German atrocities for which the outraged Russian people demand, and will get, revenge.

U.S.A.:

In his address to Congress on 6 Jan., Roosevelt declared that as soon as the time is ripe tremendous offensives will be launched to regain Allied possessions in the Pacific. The Allies will always use their troops wherever they can hurt the enemy most. The world is too small for Hitler and God to exist side by side. Modern war is a contest of work and production. America manufactures arms for all the Allies, also for the men in conquered areas as soon as they rise against the conquerors and quislings. In 1942, 60,000 planes are to be produced, and in 1943, 125,000. In the same period tank production will be increased from 35,000 to 70,000, production of anti-aircraft guns from 20,000 to 55,000. Merchant ships totalling 6,900,000 tons were built in 1941, 8,000,000 will be built in 1942, and 10,000,000 in 1943. Every American will have to work seven days a week. More than half of the national income will have to be appropriated for war purposes. This will mean taxes, bonds, denial of luxury and comfort. U.S. land, sea, and air forces will be based on the British Isles. The war will be finished only when German, Italian, and Japanese militarism has been smashed.

According to newspaper reports, negotiations to change the provisions of the Lend-Lease Law are pending. Instead of unilateral U.S. aid as heretofore, the new system is to be based on something in the nature of a pool to which all participants are to contribute according to their manufacturing potential, and in which production and deliveries will be centrally controlled.

Dutch East Indies:

According to newspaper dispatches, General Wavell will set up his headquarters at Surabaya.

Japan:

Newspaper articles discuss the problem of cultural and economic development of Greater East Asia. They state that the basis for the realization of Japan's economic mission is a sufficiently large merchant marine, a factor which is just as important as the Navy for domination of the sea. The present goal of 15,000,000 tons of merchant shipping is too low for the needs of the Greater East Asian economic sphere. The fact that all friendly peoples of East Asia have freed themselves from Europe's yoke is cited as a unique event in world history. The new chapter of world history will deal with the retreat of the West from Asia, and in the future the new order in East Asia will be a prerequisite for world peace.

7 Jan. 1942

CONFIDENTIAL

Hungary:

The Reich Foreign Minister arrived in Hungary for an official visit.

Italy:

Of the 220,000 racial Germans in South Tirol, 70,000 have already emigrated to the Reich.

Situation 7 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

Radio decoding reports that Admiral Sommerville, the commander of Task Force H, left Gibraltar on 2 Jan. to take over a command in the Pacific. According to newspaper reports, the Chief of the British Home Fleet, Admiral Tovey, will receive over-all command of Allied naval forces in the Atlantic.

South Atlantic:

The Dutch steamer STREEFKERK gave a warning signal against an armed merchant raider 300 miles southwest of Cape Palmas.

Indian Ocean:

Radio monitoring reports that the INDOMITABLE has entered East Indian waters. The cruisers GLASGOW, PERTH, and CANBERRA are probably located somewhere between Bombay and Colombo.

Pacific Ocean:

The Mexican radio announced that from 6 Jan. on U.S. warships have the right to operate in Mexican waters, and that U.S. troops may travel through Mexican territory.

2. Own Situation:

Radiogram 1301 of 1 Jan. advises the ELSA ESSBERGER of course up to point "Erpel", where one of our submarines will contact her. Radiogram 1305 of 2 Jan. issues further sailing instructions to the vessel. (See War Diary 1 Jan..) Report on our own daily reconnaissance in the rendezvous area by He 115 seaplanes in Radiogram 1624 of 7 Jan.

II. Situation West Area

1. Enemy Situation:

South of Falmouth air reconnaissance sighted this noon one

7 Jan. 1942

CONFIDENTIAL

southwest-bound convoy of three steamers, and near Lizard Head a north-west-bound convoy of twenty five steamers. At the same time a convoy of ten ships and one light cruiser was located off the southern tip of Ireland.

The increasing reports about convoys between Ireland and the Scilly Islands are noteworthy.

2. Own Situation:

Atlantic Coast:

Aside from the raid on Brest (see War Diary 6 Jan.), very high-flying enemy planes also raided the harbor entrance and the western fort of Cherbourg on 6 Jan. between 2030 and 2110. About twenty five high-flying planes coming from all directions participated in the air raid on Brest and scored several hits close to the docks despite an effective and properly timed smoke screen. This caused speculation aboard the GNEISENAU that the planes were flying on a radio beam. Bombs put Listening Post North out of commission. Two attackers were definitely shot down, a third probably. Five parachute jumps were observed.

A close check-up of the GNEISENAU fortunately revealed no further damage. It is planned to put the vessel in dry dock on the evening of 7 Jan. for closer examination of her hull below the waterline. The Commanding Admiral, Battleships reports his intention to have repairs on the vessel completed only as far as necessary for immediate plans, and within the time set aside for the personnel training program. (See Telegram 1840.)

The Naval Staff advises Group West, with a copy to the Commanding Admiral, Submarines, that the blockade-runner TANNENFELS which is being fitted out at Bordeaux will presumably be ready to sail on 1 Feb.. Her departure under orders of Group West, without submarine escort, is planned for the second half of February.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio monitoring intercepted a British plane's report about sighting one of our convoys consisting of ten vessels near Terschelling. At 0534 our air reconnaissance reported an enemy convoy of two cruisers, thirteen steamers, ten destroyers, and several escort vessels with air cover of four planes about 30 miles east of Scapa Flow. This convoy was first observed on an east and then on a west course. Contact was maintained until its entry into Pentland Firth at 1430.

Own Situation:

Two patrol boats and mine sweepers, which had been properly

7 Jan. 1942

CONFIDENTIAL

reported, were detonating mines north of Blavandshuck, giving rise to an alarm at the Airport Command at List of an alleged engagement between German coastal batteries and enemy naval forces. Air reconnaissance cleared up the situation shortly afterwards (see Radiograms 1520 and 1543). Escort service and mine sweeping proceeded according to plan without incident. In the morning slight enemy air activity in the Heligoland Bight area (see Radiogram 1900).

2. Norway:

Enemy Situation:

In view of the detailed data contained in the report about Russian plans to attack Finland (see War Diary 3 Jan.) Group North believes that the report must be fairly accurate, particularly since the situation in general makes such plans seem probable (see Telegram 0024).

It is quite probable that the enemies have such plans, and perhaps have even prepared such an attack to a certain extent. The Naval Staff, however, is not convinced that the widely scattered enemy forces, particularly the British Fleet, would really be strong enough to launch a project, the success of which seems so uncertain. It is in any case unlikely so long as Germany's Eastern Front, despite all the present reverses, must be, and still is, considered unbroken by the enemy. Nevertheless, everything possible must of course be done on our part to prepare for such an eventuality.

At 0020 unidentified forces shelled Floroe; at 0520 British naval forces were sighted west of Maaloe. At 0530 two destroyers were reported near Floroe, apparently withdrawing to the west. Shortly afterwards the all clear was sounded in Floroe.

Own Situation:

On 6 Jan. the COBRA executed her mine-laying mission according to plan, i.e., flanking mine field I in the declared danger area between Fugloe and Soero using 150 standard mines, Type C. (See Radiogram 1825.)

Between 0403 and 0730 several enemy air raids on Bergen and Sole near Stavanger.

While enemy forces, apparently two destroyers, were shelling Floroe the steamer HEDWIGSHUETTE sustained damage above her water line, and her engine was put out of commission. The patrol vessel ORKAN was slightly damaged, and the Naval Signal Station at Floroe was destroyed. Port installations remained undamaged. No enemy landings. South-bound shipping from Aalesund was held up until 1100. At 0300 the Commander, Coastal Patrol Units left Bergen with torpedo boat ZICK and PT boat S "15" to find the enemy. No enemy forces were sighted. The scheduled air reconnaissance did not start until 0430 from Sole near Stavanger because enemy air raids had, among other things, damaged the runway. Only one He 111 took off, and could no longer locate the enemy. At 0216 Group North advised the outbound submarine U "161", which was located in the area in question, of the situation, and suggested to the Commanding Admiral, Submarines that she be ordered into action. (See Telegram 1523.) The Naval Staff informed the Naval Liaison Officers at the Fuehrer's Headquarters, the Armed Forces High

7 Jan. 1942

CONFIDENTIAL

Command, the Army High Command, and the Commander in Chief, Air by Radiogram 1010.

Unfortunately this enemy nuisance raid, for this action could hardly be interpreted as anything else, succeeded because the Air Force was grounded at Sole by a cleverly timed air raid, and thus prevented from counterattacking. It was unlikely from the start that the one submarine which happened to be in the vicinity could engage the enemy, and a success of the small vessels of the coastal patrol units could hardly have been expected. The damage caused was small this time, in proportion to the moderate enemy effort.

The vessels of the 15th Mine Sweeper Flotilla have been in need of repairs since December, after their strenuous operations in the east. Nevertheless, a few weeks ago they were called on to relieve the 3rd Mine Sweeper Flotilla because the engines of the latter had been completely run down in the Norway area. An overhaul of the 15th Mine Sweeper Flotilla cannot be postponed beyond the end of January, when another mine sweeper flotilla will have to replace it. At present, there is only one seaworthy vessel in the 7th Motor Mine Sweeper Flotilla, and the 12th Subchaser Flotilla is far below its effective strength. Considering these facts, the Commanding Admiral, Norway quotes a Naval Staff directive of 31 Oct. 1941 according to which sub-chaser, mine sweeper, and motor mine sweeper flotillas are either to be brought up to strength or to be replaced by new flotillas. He points with emphasis to reports from pertinent Army sources which state that food shortages have already become apparent in the northern area, and that the survival of the Mountain Corps hinges on the success of supply transport operations. (See Telegram 0840.)

Commenting on the above, the Commanding Admiral, Group North states that the necessary replacements for the 7th Motor Mine Sweeper Flotilla, the 12th Subchaser Flotilla and the 15th Mine Sweeper Flotilla have been provided and will arrive as scheduled and that the Commanding Admiral, Norway is aware of this. The proposal of the Group to transfer the 4th Mine Sweeper Flotilla to Norway was turned down by the Naval Staff at the time. On 5 Jan. Group North gave a complete account to the Naval Staff of all mine sweepers, motor mine sweepers, and patrol boats under its command. This account shows that the critical point has been reached at which it is no longer possible to cede further units to other theaters of operation without jeopardizing completely all operations. Since, however, according to the conception of the Commanding Admiral, Norway the strength of the Army's northern wing and the possession of the essential nickel area of Petsamo depend on the functioning of supply lines to northern Norway, the Commanding Admiral, Group North points out with due emphasis that the problem of replacements or assignment of new mine sweepers, motor mine sweepers, and patrol boats must be solved quickly. (See Telegram 1750.)

The Naval Staff could for its part also submit a list of all available forces and vessels and compare it with the minimum requirements which have to be satisfied in all theaters, in order to prove the necessity of providing more and more new vessels of all types. In view of available raw materials, construction facilities, and personnel, however, such a list would serve only a theoretical purpose. The Naval Staff believes that it

knows well all the needs of the various groups and commanding admirals, and in the interest of naval warfare in general it would like to be able to satisfy them to the largest possible extent. However, it is faced with the absolute necessity of using forces which are completely inadequate for such a variety of assignments, a task which has been made even more difficult by the unforeseen expansion of naval warfare to unexpected theaters and particularly to coastal theaters of operation. This compels the Naval Staff to assign priorities for the use of these forces to satisfy the most urgent need of the moment, without being able to hope that the armament situation will improve within a reasonable time. Thus the greatest care and constant re-examination of the diverse situations and circumstances are necessary in order to avoid errors in distribution which would be doubly grave under the given conditions. With this in mind, the Naval Staff considers the situation estimates of the various groups and other commands, as well as their wishes and recommendations, as most valuable. In view of the significance which the Chief, Naval Staff and the Naval Staff attribute to the problem of management of forces and its almost insoluble difficulties, the explicit request of the Commanding Admiral, Norway to submit the text of his current report to the Commander in Chief, Navy would not have been necessary.

In reference to the objection voiced against mention in the Armed Forces High Command communique of the enemy vessel sunk in the Arctic Ocean by U "134" (see War Diary 6 Jan.), the Commanding Admirals Norway, North, Defenses Baltic Sea, and Defenses North are directed to indicate particularly in reports of successes whenever there is a chance that the enemy may not yet know of his loss, so that publication in the Armed Forces High Command communique seems undesirable. (See Telegram 1700.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The 3rd and 4th transport groups of the 225th Infantry Division arrived in Riga on 6 and 7 Jan. after overcoming considerable difficulties with the ice. The 5th, 6th, and 7th groups are scheduled to leave Danzig on 6, 7, and 8 Jan.

Group North expresses surprise that the Naval High Command, Construction Division intends to dock the icebreaker CASTOR for major reconstruction on 15 Jan., as this is the period of greatest need for icebreakers in the eastern Baltic. Should ice conditions become worse, the old battleships alone will no longer suffice. Group North therefore suggests that several powerful icebreakers be chartered or bought from Sweden (see Telegram 1235).

Further measures will be arranged by the Naval Staff, Quartermaster Division.

Since conditions in the Baltic Sea area force us to curtail activities drastically, the Armed Forces High Command considers it essential that

all Armed Forces demands for shipping space to and from the Baltic countries be pooled and regulated according to the sea transport situation. The Armed Forces High Command delegates this task to the Supply and Transportation Office for the Armed Forces Overseas. It is up to this office to establish the needs of the Armed Forces for transportation to and from the Baltic countries, and to present collective demands of all the Armed Forces to the Naval Staff, Quartermaster Division, Sea Transportation Branch, and the Maritime Shipping Department, Ministry of Transportation. Independent charters by any branch of the service are prohibited. Transports via the Navy's vessels for special purposes of the Navy do not fall under these regulations, so far as they do not affect the general sea transport situation.

In view of the significance of Hogland for present and future blockade operations directed against Kronstadt Bay, the Naval Liaison Staff, Finland requests reoccupation of the island by German troops, since the Finnish garrison is too weak to resist a Russian surprise raid. (See Telegram 1845 from Group North.)

V. Merchant Shipping:

For assignment of operational zones by the Naval Staff, Chief of Maritime Branch as per 1/Skl 982/42 geh. see War Diary, Part B, Vol. VII.

VI. Submarine Warfare

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

VII. Aerial Warfare

1. British Isles and Vicinity:

For observations of our reconnaissance see Situations West Area, North Sea, and Norway. On the east coast of Scotland one 6,000 GRT steamer was sunk and one 3,000 GRT tanker damaged. Enemy air activity over the Atlantic coast. Evening raids on Lorient causing no damage, and on St. Nazaire causing only little damage to military and civilian installations. The Naval Food Supply Depot was partly destroyed.

2. Mediterranean Theater:

Continuation of our air raids on air bases at Malta and Cyrenaica. According to an agent report, planes and submarines origi-

7 Jan. 1942.

CONFIDENTIAL

nally stationed at Malta have already been transferred to North African bases, among others to Benghazi.

3. Eastern Front:

Armed reconnaissance attacked the ports of Novorossisk and Feodosiya with evident success. The ports of Feodosiya and Yalta were mined. Strong aerial activity in the Crimea and at the sector of the Central Army Group in support of ground forces.

4. Organization:

The Naval Staff is satisfied with the division of sectors in the North Sea area among the 3rd and 5th Air Forces, and the Commander, Naval Air as proposed by the Commander in Chief, Air, and endorses (cf. War Diary 5 Jan.) the request for tactical assignment of Bomber Squadron 1/406 to the 5th Air Force. Directive 1/Skl IL 361/42 Gkdos. Copy of telegram sent to the Commander in Chief, Air, Operations Staff and duplicates sent to Group North and the Air Force General with the Commander in Chief, Navy; see War Diary, Part C, Vol. V.

VIII. Warfare in the Mediterranean

1. Enemy Situation:

Survey of distribution and activities of British naval forces in the Mediterranean as reported on 4 Jan. by the German Naval Command, Italy 1/Skl 248/42 Gkdos. in War Diary, Part C, Vol. XIV.

This survey shows one to three battleships in Alexandria (probably BARHAM, QUEEN ELIZABETH, and VALIANT). It is presumed that only one of these vessels is fit for action at present. Another vessel is reported heavily damaged; for the last six weeks no data has been received about the third vessel.

Task Force H has not been in action in the western Mediterranean for six weeks.

In December the Malta group of two cruisers was temporarily reinforced by two cruisers from Alexandria (PENELOPE and AURORA) and four destroyers.

Italian photographic reconnaissance on 7 Jan. revealed the following vessels in Alexandria: Two British battleships, one French battleship, two British cruisers, five French cruisers, five destroyers, one submarine tender, three submarines, and others.

According to an Italian agent report, the arrival of a convoy from Britain is to be expected within the next few days. Italian radio monitoring reports that the gunboat APHIS operated in the Gulf of Sollum, and that several destroyers, among them the SIKH and HIGHLANDER, and other vessels were located off the coast of Marmarica during the afternoon and evening. Skirmishes apparently took place in the Tobruk sector. Submarines were sighted off Taranto and Tripoli.

2. Situation Italy:

The three destroyers of the 1st Convoy Escort Group which had remained in Tripoli are proceeding to Palermo. An enemy submarine torpedoed the steamer PERLA southwest of Pantelleria. An attempt will be made to tow her to port. Enemy planes attacked PERLA and barges proceeding in convoy; also attacked Tripoli. Nine Italian submarines are on patrol in the Mediterranean.

Upon the suggestion of the Naval Staff, Operations Division the Commander in Chief, Navy has decided that the award of Iron Crosses should be made on the occasion of a conference on 14 and 15 Jan. in Garmisch as proposed by the Commanding Admiral, German Naval Command, Italy. Further arrangements will be made by the Officer Personnel Division. (See Letter 2121.)

3. Transport of Supplies to North Africa:

Nothing to report.

4. Area Naval Group South:Aegean Sea:

Nothing to report.

Black Sea:

Statements of prisoners point to intended Russian landings at Eupatoria, Ak Mechet, and Bakal Bay. Many vessels are lying in Novorossisk. Three divisions are supposed to have embarked or to be on the point of doing so. Radio monitoring reports that Kerch Strait is free of ice. Moderate ship movements at the south entrance of the strait outside Feodosiya and at Anapa. Many ship movements in Novorossisk. At noon one battleship was lying off the harbor.

Own Situation:

According to directive from the 11th Army High Command, all landing facilities, even those for the smallest craft, are to be destroyed in Ak Mechet.

The Fuehrer again desires to use some submarines in the Black Sea. Since their transport via the Danube would prove extremely difficult and hardly practical, however, he intends to obtain for this purpose the indirect, but outwardly least compromising, cooperation of Turkey. The Armed Forces High Command informs the Naval Staff of this situation and requests that the military possibilities should be examined and an opinion submitted before any political steps are taken, or other proposals should be forwarded so that they might be suggested to the Fuehrer. For instance, German submarines in the Mediterranean could be exchanged for Turkish submarines in the Black Sea, or German submarines in the Mediterranean could be sold to the Turks and bought back after their transfer into the Black Sea. (See Telegram 1825.)

IX. Situation East Asia1. Enemy Situation:

According to a special U.S. warning notice on 6 Jan. the entrance to Surabaya is closed. Batavia and London report the losses of two Dutch East Indies submarines. Admiral Stirling, U.S.N. writes in the British press that the U.S. Navy is not strong enough to wage war in the Pacific and the Atlantic at the same time. It is necessary at first to concentrate all forces against Hitler without regard for the war in the Pacific.

2. Situation Japan:

The Military Attache in Tokyo reports about 5 Jan. that the main Japanese forces in western Malaya are advancing rapidly. The railroad is in operation from Bangkok to east of Penang. The Japanese eastern forces are near Pekan.

The Military Attache in Bangkok reports about 5 and 6 Jan. as follows: The Japanese air raids are being directed against air bases on the island of Singapore. Heavy Dutch bombers are supporting ground operations. One was shot down. Rationing of drinking water has already been ordered for the population of Singapore. One section of the Japanese western column, already reported 30 miles south of the Bernam River, is advancing further to the south. A small landing unit is following its advance by sea.

Strength of Japanese air force on Malaya between 400 and 500 planes. So far about 5% losses.

It is also reported that the Japanese have gained complete air superiority on the Burma front and in the Philippines. Japanese air raids on British New Guinea.

X. Army Situation

1. Russian Front:

Southern Army Group:

Enemy resistance reduced to only two or three houses in Eupatoria. At other sectors of the Crimean front the situation remains unchanged. The 1st Panzer Army and the 17th Army reported nothing but unsuccessful sporadic enemy attacks. At the 6th Army sector the relief of Oboyan made some progress. The enemy penetration at the 229th Infantry Division sector is still progressing along the Seim Valley in the direction of Kursk.

Central Army Group:

Sukhinichi has been held up to now. The enemy with strong forces reached Mosalsk. Enemy forces at the penetration sectors northwest of Kalinin were reinforced. Russian forces which had penetrated our lines at the 9th Army sector of Rzhev were repulsed. Infiltration of further enemy forces into the penetration area was apparently prevented by snow drifts. A new thrust is expected in the direction of Rzhev and Substov.

Northern Army Group:

7 Jan. 1942

CONFIDENTIAL

Strong attacks on the Volkhov front were repulsed. The enemy succeeded in penetrating on a small scale only at the 11th Infantry Division sector with the aid of ski troops.

2. Finnish and Norwegian Front:

Enemy attacks at the Svir sector failed; however, the Russians managed to establish a beachhead on the west shore of Povyenets Bay. Countermeasures are being taken.

3. North Africa:

The enemy started to advance against our new positions at the Agedabia sector. Enemy reinforcements on the Bardia front were confirmed. Strong enemy shelling and air raids in waves on the Halfaya front.

8 Jan. 1942

Items of Political Importance

French Morocco:

According to reports from informed quarters, Governor General Nogues must be considered thoroughly anti-German and can be expected to render every possible aid to the enemies of Germany at the decisive moment. British and American propaganda is being intensified day by day and of late has unfortunately been very successful among the native population also. A large contingent of American agents is said to be at work in connection with preparations for landings at Dakar, Casablanca, Agadir, and Port Lyautey.

Portugal:

Rumors circulated by the U.S. about an impending German occupation of Portugal and Spain are spreading; they obviously serve to create the proper atmosphere for the Rio conference.

Japan:

Newspapers close to the Foreign Office point to the paradox of Australia's dependence on distant Great Britain. This dependence prevents the economic development of the Fifth Continent by cooperation with the other countries within its natural sphere. A re-orientation of Australian politics would not necessarily mean a change in her racial or social structure. If Australia were to join the economic sphere of Greater Asia she would benefit herself as well as the rest of the world.

U.S.S.R.:

According to a British news report, Stalin allegedly agreed with Eden on the creation of an independent Poland without touching on the problem of frontiers.

Conference on the Situation with the Chief, Naval Staff.

Report by the Chief of Operations Branch, Naval Staff about reports from Group North and the Commanding Admiral, Norway concerning assignment of patrol and mine sweeper forces to Norway. (See also War Diary 7 Jan., Situation Norway.) The Chief, Naval Staff agrees with the views of the Naval Staff.

Otherwise no special reports or decisions.

Special Items:

I. Concerning: The transfer of PT boats into the Mediterranean and the Black Sea; arranged by the Naval Staff, Operations Division and the Naval Staff, Quartermaster Division as follows:

8 Jan. 1942

CONFIDENTIAL

1. a. Six large PT boats including officer complement are to be transferred to the Black Sea.

b. The remaining four small PT boats, Type S "30", are to be assigned to the 3rd PT Boat Flotilla as reserves.

c. Arrangements for the transfers are now being made, and as soon as ice conditions on the inland waterways permit this operation it will be carried out. The transfer to the Black Sea is particularly urgent at present.

2. Should it, contrary to expectations, prove impossible to transfer the six large PT boats to the Black Sea via the Danube, six small ones would have to be substituted. In this case the small boats Type S "30" now slated for the 3rd PT Boat Flotilla would have to be reassigned, so that all the boats will be ready for action in the Black Sea as soon as possible.

3. Letter 1/Skl I op 565/42 Gkdos. to the Naval Staff, Quartermaster Division, General Section contains confirmation of the above and the request to investigate once more in cooperation with Group South whether Odessa could not temporarily be used as the operating base of the PT boats in the Black Sea instead of Constanta. The PT boats are expected to operate primarily off Sevastopol for the time being. The approach to this area is at least 200 miles from Constanta, but only 150 miles from Odessa, which would constitute a saving of 50 miles each way. In view of the great length of the route this saving appears so valuable that certain other disadvantages could be condoned.

II. Operations of the vessels at Brest: In compliance with the order from the Chief of Staff, Naval Staff, preliminary conferences were held in Paris from 30 Dec. 1941 to 2 Jan. 1942 on the situation arising due to the report which the Chief of Staff, Naval Staff made to the Fuehrer on 29 Dec. 1941 concerning future use of the naval forces at Brest. The Commanding Admiral, Group West presided at these conferences which were attended by the Fleet Commander; the Commanding Admiral, Battleships; the Commander, Defenses, West; as well as the Chief of Staff, Group North and the Chief of Operations Branch, Naval Staff. Among the subjects discussed were the pros and cons of the various uses to which the vessels at Brest might be put, as well as the forces and measures necessary to insure the success of whatever alternative the Fuehrer finally decides on. The Commanding Admiral, Battleships also submitted the opinions of the commanders of the vessels in question, whom he had consulted.

After the conferences the Commanding Admirals, Groups North and West submitted the final opinions in writing to the Chief, Naval Staff. Group West included pertinent material as furnished by the Commanding Admiral, Battleships. In consideration of the strategic and military factors involved, all three Commanding Admirals are opposed to plans for operation "Mandarine". They particularly stress the fact that a transfer of the vessels from the Atlantic area, as well as the losses which are considered an inevitable consequence of such a move, must undermine our strategic and political position. Should the final decision have to be made between operation "Torero" or dismantling the vessels, the Commanding Admiral, Group West believes that he should be in favor of the latter alternative. After having given much thought to the problem he had to reverse the opinion which he held at the preliminary conferences in Paris, a decision which was by no means easy.

8 Jan. 1942

CONFIDENTIAL

The Commanding Admiral, Group North requests that this alternative be shelved, since its effect on naval warfare might be catastrophic.

On 5 Jan. the Fleet Commander declared verbally to the Chief, Naval Staff that execution of operation "Mandarine" is almost impossible, unless grave losses are to be risked which would seriously hamper our conduct of the war.

The Naval Staff, Operations Division opposed this viewpoint and maintained that operation "Mandarine" is the only choice between the two alternatives, despite the risk. The Operations Division maintains that this risk is hardly more serious than the dangers which will inevitably result from maintaining the vessels in the western area for purely psychological and strategic reasons without being able to use them in active combat.

On 6 Jan. the Chief, Naval Staff and the Commanding Admiral, Group West conferred on the matter. The latter is of the opinion that a final decision must be made by 10 Jan. at the latest so that operation "Torero" may be executed in February, the last month possible. The Commanding Admiral, Group West repeated the arguments of the written opinion of 3 Jan., emphasizing once more the high strategic value of the vessels' present position. Concerning the alternative of dismantling the vessels, the Chief, Naval Staff stressed the viewpoint that the Fuehrer's inquiry was probably more a tactical suggestion and did not constitute his final decision. However, the Chief of Staff, Naval Staff, pointed out that the opinion of the Commanding Admiral, Group West had not been taken into consideration, and that the Fuehrer considers any operation of the vessels in the western area impossible and fears that they might some day be lost without a fight. The Navy must appreciate the Fuehrer's desire to have the fleet in the northern area in view of possible large-scale enemy operations. The Naval Staff can also see great possibilities for operations in the northern area, not to mention that such a move will tie up large enemy forces in that sector. In the opinion of the Chief of Staff, Naval Staff the vessels must under no circumstances be dismantled, since such a procedure would completely eliminate them from further participation in the war. Under the circumstances there remains only the question of whether or not operation "Mandarine" is feasible.

In complete accord with the Chief of Staff, Naval Staff, the Chief, Naval Staff concludes the survey of future uses for the vessels at Brest, deciding to submit the following final opinion to the Fuehrer: The great value of assembling a strong naval force in northern Norway is recognized in view of that area's decisive importance to the outcome of the war and the need to protect it; particularly the presence of a massed force of battleships in the Arctic Ocean has great possibilities from an operational as well as a strategic point of view. On the other hand, the vessels at Brest constitute an important factor in the conduct of naval warfare even though they are constantly exposed to enemy attacks and are at present unable to wage offensive warfare. If they were to be transferred, all but a few of the heavy British forces could be withdrawn from the Atlantic.

Should the final decision be made in favor of transfer to the northern area, only operation "Torero" can be considered. This operation entails grave risks which will most likely lead to total loss or at least to severe damage to the vessels, without offering the chance of inflicting decisive damage on the enemy. For this reason the Chief,

8 Jan. 1942

CONFIDENTIAL

Naval Staff cannot propose execution of operation "Mandarine" but suggests leaving the vessels at their present stations in battle condition, so that their strategic effect remains unimpaired and benefits the situation in the Atlantic as well as in the northern area. The Chief, Naval Staff must strongly advise against dismantling the vessels. The TIRPITZ is to be transferred as planned. (Marginal note to the above: Operations "Mandarine" and "Torero" are identical. The same operation is known by six different cover names.)

A detailed opinion as outlined above is submitted to the Fuehrer on 8 Jan., together with a request for a decision concerning the TIRPITZ and the SCHEER. Copies are forwarded to the Commanding Admirals, Groups West and North; the Fleet Commander; the Commanding Admiral, Battleships; and the Commanding Admiral, Defenses, West. For copy as per 1/Skl Ib 46/42 op Gkdos. Chfs. see War Diary, Part C, Vol. IIb.

The above-mentioned statements by Group West and the Commanding Admiral, Battleships describe all necessary security measures and request the necessary naval forces in case operation "Korsika" should be decided on. The Commanding Admiral, Battleships requests twelve vessels as escorts for two battleships and sixteen vessels for three battleships. Nine destroyers and eleven torpedo boats are available to fill these requirements.

The Commanding Admiral, Defenses, West requests that he be furnished with three modern mine sweeper flotillas, one patrol boat flotilla, and one subchaser flotilla by 15 Jan. in addition to his present forces. Available are: Two modern mine sweeper flotillas (fifteen vessels) immediately; a third (six vessels) by the end of January; one patrol boat flotilla immediately. The subchaser flotilla cannot be furnished. However, by the beginning of February eight subchasers will be available in the western area. The Naval Staff considers them sufficient for filling the requirement.

The report also contains in detail the opinion of the Commanding Admiral, Battleships concerning execution of operation "Torero". It is supplemented to the effect that the torpedo boats should not participate in the operation until the second day in view of their limited cruising radius. Thus the need for as many destroyers as possible on the first day of the operation is correspondingly increased.

Situation 8 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

South Atlantic:

On 2 Jan. the Brazilian cruiser BAHIA sailed from Rio in a northerly direction for coastal patrol duty, accompanied by mine-laying vessels. According to an attache report from Rio, U.S. planes are stationed in Caracas, Venezuela; Paramaribo; and Georgetown. U.S. ground personnel has been stationed at the airports of Para and Natal.

8 Jan. 1942

CONFIDENTIAL

2. Own Situation:

For the report No. 1397 from the Naval Attache, Tokyo about reference points in the Pacific see War Diary, Part C, Vol. I.. Information on the enemy situation sent by Radiogram 2349.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Atlantic Coast:

Two torpedo boats patrolled the approaches to Nantes without result. From 0634 to 0815 enemy planes raided Brest, dropping about 150 high-explosive bombs. Mines were dropped in the coastal approach area. No military damage.

By Radiogram 0909 the Naval Staff inquires of Group West and the Commanding Admiral, Submarines whether they object to the use of moored aerial mines in waters not exceeding a depth of 200 meters between the latitudes of Butt of Lewis and Malin Head. For technical reasons relating to mines this area is particularly well adapted to the use of aerial mines against British supply traffic.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Nothing to report.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

The Commanding Admiral, Arctic Coast requests that danger areas be established between the islands Soeroe and Rolvsoe, Ingloe and Hjelmsoe, and Hjelmsoe and Mageroe, in addition to the one already declared between Fugloe and Soeroe, for the purpose of laying a flanking mine field. (See Radiogram 1850.)

For the information of Group North about forces available to relieve

the subchaser and mine sweeper flotillas (see War Diary 7 Jan.) the Commanding Admiral, Norway states that there are no replacements for nine subchasers and four mine sweepers. Consequently Group North will be short that many vessels if they proceed to put their original plan into practice. If the necessary amount of fuel oil can be obtained, the Commanding Admiral, Norway sees a chance for improving the situation by reinstating a total of twenty two vessels belonging to the areas of Oslo, west Norwegian coast, and north Norwegian coast, which had been laid up due to a curtailment of the fuel oil quota (see Radiogram 1851).

Otherwise nothing to report.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

During the middle of Nov. 1941 Group North had reported its intention to lay a new mine field in the deep Skagerrak channel, as suggested by the Commanding Admiral, Defenses, Baltic Sea. The new mine field was intended to strengthen the defenses against blockade-runners and to compensate for the presumed ineffectiveness of the field which had been laid as early as 9 April 1940. The Naval Staff had provided 600 standard mines Type "F" for the new project, the first time these mines were to be put to use. Plans called for the new field to be laid west of the old one and to be extended in a southerly direction by 270 standard mines Type "C" from Group North's stockpiles.

During the evening of 8 Jan. the first part of the mining operation (laying of 600 standard mines Type "F") was carried out according to plan by the ULM, the BRUMMER, and the ROLAND, escorted by the 17th Patrol Boat Flotilla of the Commander, Mine Sweepers, North Sea.

The Commander, Mine Sweepers, North Sea reports that ice conditions might delay the transport of the 225th Infantry Division about seven days. For the ice report on 8 Jan. see Radiogram 1300. Group North directs the SCHLESWIG-HOLSTEIN by Radiogram 1511 to give icebreaker assistance to transports between Neufahrwasser and Riga beginning on 9 Jan.. Because ice conditions are more serious than ever, efforts are being made to have the old battleship assist the "Neidenfels" and "Ostland", which are leaving Neufahrwasser on 8 Jan. and are expected to be off the Irbe Strait at 0000 on 10 Jan.

The port of Windau has been closed because of a spotted fever epidemic among the city's civilian population.

V. Submarine Warfare

1. Enemy Situation:

Seventeen British planes were sighted in the northern rendezvous area; twenty were seen over the region between the southern rendezvous area and the area southwest of Brest during the day, and twenty two at night. A submarine was sighted in AM 7524 (NW of the Hebrides). According to an Italian report, the British steamer

RUCKINGE (2,869 GRT) sank burning in the Atlantic on 19 Dec. 1941; she probably belonged to the HG convoy which was attacked. A secret intelligence report from Spain states that, contrary to rumors, neither a German nor an Italian submarine was towed into Gibraltar during Dec. 1941.

2. Own Situation:

A report of the Naval Intelligence Division, Foreign Navies Branch concerning activities of German submarines along the American coast in 1918 is contained in News Analysis No. 2 of the news series "Foreign Navies".

Report on the situation in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Since no ship targets were spotted along the southwest coast during the night raids on 8 Jan., Falmouth was raided as an alternate target.

2. Mediterranean Theater:

Aerial photographs of Malta revealed that there are no more destroyers and submarines lying in the harbor of Valletta. The continuous air raids apparently have been successful.

Six enemy planes were shot down in dogfights over the African area.

3. Eastern Front:

Strong activities of our Air Force in the Crimea and at the Central Army sector. For reconnaissance observations see Enemy Situation, Black Sea.

4. Organization:

Concerning the Naval Staff's consent to relinquish administrative control by the Commander, Naval Air over Bomber Squadron 1/406 while it is tactically assigned to the 5th Air Force (see War Diary 7 Jan.), the Commanding Admiral, Group North requests information as to whether the Naval Staff shares the Group's opinion that the possibility of ever reassigning the squadron to the Commander, Naval Air may be considered practically nonexistent once such a step has been taken. (See Radiogram 1243.)

The Naval Staff is of the opinion that administrative control is not a decisive factor in judging the question submitted by Group North. Just as Bomber Squadron 1/406 has been assigned to the 5th Air Force for operations without regard to administrative ties, it can be reassigned in the same way to the tactical command of the Commander, Naval Air should strategic reasons prove this necessary. The High Command, Air, Operations Staff is also of the opinion that administrative control must of necessity follow any prolonged tactical command. In the

opinion of the Naval Staff the situation made the assignment of the squadron to the 5th Air Force necessary. For reasons of efficiency it is impossible for the Commander, Naval Air to have administrative control over the squadron at Tromsø for any length of time when he himself is stationed at Sengwarden. (See Radiogram 1616.)

VII. Warfare in the Mediterranean

1. Enemy Situation:

Aerial photographs of Valetta harbor revealed two cruisers, one of them in dock, and three steamers. According to Italian observations, a battleship of the Mediterranean Fleet with the Commander of the 1st Squadron aboard is probably at sea. Malta and Alexandria maintained extensive radio contact with submarines at sea. The Naval Attache, Istanbul reports that according to a Turkish source (at the British Embassy) the KING GEORGE V is said to have been sunk on 1 Jan. 1942 near Alexandria by two submarine torpedoes. The submarine was allegedly sunk by escort destroyers.

This message cannot be taken at its face value, particularly not so far as the identity of the battleship which was allegedly sunk is concerned. However, since several of our own submarines in this area must unfortunately be considered lost, there certainly remains the possibility of a major success of some kind. In any case the positions of the battleships of the Mediterranean Fleet have remained obscure for some time.

The French steamer YUMIEGES broadcast an SOS from a position north of Minorca.

2. Situation Italy:

Nothing to report.

3. Transport of Supplies to North Africa:

The Italian steamer PERLA which was torpedoed on 7 Jan. has 578 tons of German military supplies aboard. No reports of her arrival are available. Supply shipments via naval barges from Tripoli to Ras el Aali without any special events.

4. Area Naval Group South:

Aegean Sea:

The "Siena" Squadron arrived in Suda. The steamer BURGAS ran aground near Salonika. Concerning the request of the Commanding General, Armed Forces, Southeast for allocation of naval barges to the Aegean Sea (see War Diary 4 Jan.), the Armed Forces High Command, Operations Staff, Operations Section points out that the matter is being processed by the Naval Staff. The Operations Staff settles the issue with the remark that due to limited construction facilities in the Mediterranean and the Black Sea and due to the need for barges to transport supplies to the Black Sea and to North Africa, the fifty

8 Jan. 1942

CONFIDENTIAL

barges requested for the Aegean Sea will probably not be forthcoming within the near future. (See Radiogram 1235.)

On 7 Jan. the Naval Staff, Quartermaster Division, Fleet Branch, Anti-Aircraft Artillery Section submitted to the Commander in Chief, Air the request of the Commanding Admiral, Aegean Sea for temporary reinforcement of the anti-aircraft protection of Salamis by two heavy anti-aircraft batteries of the Air Force (see War Diary 4 Jan.). The Commander in Chief, Air requests the Commanding General, Armed Forces, South to assign equipment available in Greece for temporary reinforcement until about the end of February (see Radiogram 2315).

See War Diary, Part C, Vol. IX as per Skl Qu A VI 149/42 Gkdos. for measures taken on 6 Jan. by the Naval Staff, Quartermaster Division, Shipping and Transport Branch to relieve the coal shortage in the Aegean Sea as soon as possible (three colliers have been en route from Trieste to the Aegean Sea for sixteen days; six additional colliers are to be supplied very soon).

Black Sea:

Enemy Situation:

On the afternoon of 7 Jan. three northbound naval vessels were sighted near Cape Tarkhankut. The 11th Army Command considers enemy landing attempts near Ak Mechet not unlikely. According to radio monitoring only destroyers and smaller vessels were at sea at that time. On 8 Jan. air reconnaissance reported moderate steamer movements as well as one destroyer and one cruiser near Sevastopol and Feodosiya. Newly built railroad bridges across the Maritsa River which are important for supplying Greece and Thrace were destroyed to a considerable extent due to sabotage. It is supposedly evident that Turkish authorities tolerated these acts.

Own Situation:

The Army High Command has recognized the validity of the Naval Staff's arguments that it is at present impossible to transport a division from Odessa to the Crimea (see War Diary 6 Jan.).

Group South instructs the Army Group accordingly by radiogram and repeats the reasons given. Copy of 1/Skl 616/42 Gkdos. in War Diary, Part C, Vol. XIV.

No further developments of importance.

VIII. Situation East Asia

1. Enemy Situation:

The airports of Iba and Olongapo on the Philippines still remain in U.S. hands. U.S. forces have withdrawn to the Balanga Peninsula. Renewed Japanese air raid on Singapore.

2. Situation Japan:

The Military Attaches in Tokyo and Bangkok report that due to the fall of Manila communications have been fully established be-

tween the Japanese northwest and southeast groups on Luzon. The General Staff hopes that the Philippines will be completely occupied by the end of January and that by the middle of March Singapore will also be in Japanese hands. The assumption of power in the Dutch East Indies is considered simple as soon as the Anglo-American power has been broken. The Japanese western column advancing on Malaya is being accompanied at sea by small landing units. On 5 Jan. the main column stood 20 kilometers south of Bidor.

The Naval Attache in Tokyo reports:

1. During the attack on Pearl Harbor, the carrier task force was located 200 miles north of Oahu. Low clouds and rough seas prevailed; the ships rolled up to 10°.

2. The planes crossed the mountains north of Pearl Harbor and descended on the fleet from the east and the west. The port itself was clear and cloudless. (A gift from heaven.)

Torpedo bombers were supposed to attack first and the bombers afterwards. Through a misunderstanding the bombers assigned for the destruction of Ford Island attacked prematurely before the major attack on the fleet, which was hereby alerted.

3. The fleet lay east of Ford Island, the ships being secured to dolphins in pairs. This made torpedo attacks possible only on the outer ships. Fifty torpedoes were fired. There were thirty hits. The inner ships were hit only by bombs.

4. U.S. anti-aircraft defenses were bad. The projectiles of the rapid fire cannons pierced the planes' wings but failed to explode.

IX. Army Situation

1. Russian Front:

Southern Army Group:

Attacks at Eupatoria were repulsed. The town is being prepared for defense. Additional troop transports are suspected at Sevastopol. The situation at the 1st Panzer Army and the 17th Army sectors remains unchanged. Our counterattacks at various sectors of the 6th Army front achieved local successes.

Central Army Group:

Encircling enemy attacks took place at Byelev and Kaluga. Further attacks at Medyn, Borovsk, and west of Moscow. The enemy units which managed to break through at Rzhev have been annihilated.

Northern Army Group:

All break-through attempts were repulsed. The enemy managed to break through only at the 290th Infantry Division sector in the direction of Staraya Russa.

8 Jan. 1942

CONFIDENTIAL

2. Finnish and Norwegian Front:

The Finnish counterattack at Povyenets gained ground. Otherwise local Finnish successes along the Stalin Canal and at Velikaya Guba.

3. North Africa:

Our mine fields seriously delayed the enemy in pursuing the rear guard positions southwest of Agedabia. An advance in the direction of Bettafal is to be expected on 9 Jan.. Our own rear guard is withdrawing as planned. The last well on the Halfaya front was destroyed by strong enemy artillery fire.

9 Jan. 1942

Items of Political Importance

France:

The Government believes that there is a chance of reaching an agreement with the U.S. Government concerning St. Pierre and Miquelon. Authorities in Washington are said to be willing to restore the islands' former status if, in accord with the precedent set in the case of Martinique, a U.S. observer is admitted and broadcasting is limited.

Spain:

The Chilean suggestion of closer political cooperation with the Spanish-American countries on the basis of their common Iberian ties, which presupposes a continued neutral attitude on the part of Spain, is being treated with reserve by the Spanish Government; the suspicion that the suggestion was made on Anglo-American initiative cannot be dismissed. Details in Political Review No. 7, Paragraph 2.

Great Britain:

As concerns the India problem, the Government again used as its defense before the House of Commons the time-tested formula that the Indian constitutional problem can be solved only when all Indian parties have found a basis for cooperation, a situation which Great Britain is not empowered to bring about.

During the debate on the Washington Conference in the House of Commons, the fear was publicly expressed that the British Isles might become a North American advance base. The thought that the British Isles might be reduced to an American Heligoland off the coast of Europe was called unpleasant, and even hateful. One delegate observed that after all Britain will probably only have a choice between becoming the western outpost of a totalitarian Europe or the eastern vanguard of an American-controlled civilization.

Events in East Asia were sharply criticized in both the Upper and the Lower House. Details in Political Review No. 7, Paragraph 3a. The debates on East Asia were continued in secret session.

In a general survey of the situation Attlee reported, among other things, that the area of Wavell's high command extends to Burma, excludes Indo-China, covers the northern part of the Philippines, and then follows a line which runs along the northern coast of Australia and includes the Malayan Archipelago. His command does not cover India or Australia. In the Atlantic British losses of merchant shipping continue to diminish. In Russia the initiative now rests clearly on the side of the Allies. With reference to the Far East Attlee came to the conclusion that the U.S. entry into the war has already decided the outcome of the war in Britain's favor, although the immediate advantage remains for the time being on the side of Japan. After all, it is beyond the power of Great Britain to be equally strong in all parts of the world.

Eden repeated in his speech before the House of Commons that Britain's aid to Greece and the ensuing Balkan campaign delayed the German attack on Russia for 6 precious weeks. In regard to the Russian cam-

campaign, the fact must not be overlooked that the German Army is still very strong.

Upon Russia's suggestion, all Allied countries will convene in London to discuss the treatment of civilians in German occupied countries.

Overseas broadcasts give a picture of the food situation in Great Britain. They reveal that the rationing of staple foods does not constitute a considerable reduction in consumption as compared with the pre-war average. Only adult consumption of meat, eggs, and milk has been reduced, while in the case of butter there has merely been a shift to other fats.

U.S.S.R.:

There are conflicting reports concerning the negotiations between Stalin and the Polish Government in Exile. Details in Political Review No. 7, Paragraph 4.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief, Naval Communications Division reports on the results of comparative tests of the new radar locators and the old anti-aircraft radar gear, which proved that the new instrument is considerably superior to the old one.

II. The Chief, Naval Ordnance Division reports that the weather buoys have been laid according to plan and are functioning.

III. The Naval Staff, Operations Branch reports the loss of three submarines (U "75", "79", and "374") in the eastern Mediterranean, and states the intention of sending three more submarines into the Mediterranean via the Strait of Gibraltar during the coming new moon phase, which is the only time possible. In view of the fact that the ratio of sea-worthy submarines to submarines in repair has turned out to be less favorable than was estimated, the Naval Staff proposes to dispatch 3 additional submarines into the Mediterranean. Thereby the submarine total in the Mediterranean as ordered by the Fuehrer will be exceeded. The Chief, Naval Staff endorses the proposal and orders that it be mentioned in the Mediterranean situation report to the Armed Forces High Command.

IV. The Chief, Naval Staff, Operations Division reports the findings of the joint survey with the Naval Staff, Quartermaster Division as to possibilities of dispatching PT boats to the Black Sea and the Mediterranean (see War Diary 8 Jan.). Plans call for sending a trained PT boat flocilla with an experienced crew to the Black Sea. The Chief, Naval Staff agrees.

V. The Naval Staff, Foreign Affairs Section reports the limited resumption of shipping between the U.S.A., the Antilles, and French West Africa. The report also mentions that French submarines and a dispatch boat succeeded in secretly supplying Djibouti from Madagascar.

VI. The Chief, Naval Staff reports that the Fuehrer gave permission to make the hollow charge grenade available to the Japanese. When the

9 Jan. 1942

CONFIDENTIAL

question of whether the commanders of capital ships in home ports are being sufficiently well informed by the Naval Staff is brought up for discussion, the Chief of Staff, Naval Staff points out that the Groups and the Fleet Command receive daily situation reports from the Naval Staff. With regard to the fuel oil situation the Naval Staff, Quarter-master Division brings up the problem of whether it would not be well to provide from the start for all small vessels built in the future to burn coal. The Chief, Naval Staff and the Naval Staff are of the opinion that this question will not have to be answered until the situation develops to a point where such a radical change becomes inevitable.

Special Items:

The Chief of Staff, Naval Staff orders the Naval Staff to prepare a guide for "Cooperation between Merchant Vessels and Submarines" so that authorities concerned with this problem can utilize past experiences, thus avoiding the present practice whereby new thoughts and viewpoints are submitted and put into practice each time the question arises anew. By no means must the problem be attacked from the biased viewpoint of either submarine or merchant vessel alone; it must rather take into account the experiences of all parties concerned and reduce them as nearly as possible to a common denominator.

Situation 9 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Special Items:

Summary of enemy messages intercepted by radio monitoring and decoding up to 7 Jan. 1942 in Radio Intelligence Report No. 1/42 of the Chief, Naval Communications Division, Radio Intelligence Branch.

North Atlantic:

According to radio decoding, the British Consul General in Lisbon asked the British Consul in Ponta Delgada for the exact dimensions of the airports at St. Jean and Terceira.

South Atlantic:

The auxiliary cruiser CANTON stopped at Pernambuco from 5 to 6 Jan.. Radio monitoring reports that on 8 Jan. the DEVONSHIRE, the auxiliary cruiser CILICIA, and the gunboat EGRET were located near Freetown. The Naval Attache in Rio reports as follows: On 7 Jan. the U.S. cruiser*PATOKA left and the Brazilian cruiser BAHIA arrived in Pernambuco. Every 2 weeks a U.S. plane passes over Para or Natal en route to or from the U.S.A.. All leave for the Brazilian Navy has been cancelled effective 4 Jan.. Official measures have sharply curtailed the freedom of movement of our agents in Para, Natal, and Pernambuco. Code messages to Axis powers have been prohibited. Axis nationals are

* Probably refers to U.S. fleet tanker of same name.

9 Jan. 1942

CONFIDENTIAL

soon to be removed from northern Brazil. This would paralyze our communications on naval movements along the northern Brazilian coast.

Air traffic from the U.S.A. and India is routed via New York-Bermuda-Belem-Natal-Lagos-Khartum-Asmara-Aden-Karachi-Delhi; and New York-Belem-Natal-Lagos-Duala-Leopoldsville.

Pacific Ocean:

Newspapers report that the U.S.A. has allegedly occupied Easter Island and Juan Fernandez Island, which are Chilean possessions.

2. Own Situation:

The blockade-runner PORTLAND which arrived in Kobe on 3 Jan. reported a smooth journey. Only 1 steamer was sighted in the South Atlantic.

Radiogram 1127 informs ship "10" about enemy merchant ship movements in the last few months.

Letter 1919 informs the Naval Attache in Tokyo about the return of the crew of ship "16" and the award of the Oak Leaf Cluster of the Knight's Cross of the Iron Cross to the ship's captain.

Information on the enemy situation via Radiograms 1921, 2146, and 0309.

II. Situation West Area

1. Enemy Situation:

Air reconnaissance again spotted lively convoy and ship traffic at the south entrance to the Irish Sea and in the Bristol Channel.

2. Own Situation:

Atlantic Coast:

50 to 70 enemy planes raided Brest from 0655 to 0900, and 40 attacked Cherbourg. 270 high-explosive bombs fell on Brest. No important damage to either city.

On 6 Jan. the agent radio transmitter Western France broadcast to Regional Intelligence Control, Paris that a battleship which had allegedly sustained a bomb hit during the air raid on Brest on 6 Jan. had docked during the afternoon (see War Diary 6 Jan.). This message was sent by order of Group West with the Naval Staff's consent for the purpose of misleading the enemy. The decoy report about a concentration of tug boats at Brest for gunnery exercises by the disabled vessels, which the Naval Staff gave to an agent toward the end of December, will not be corrected as proposed by the Commanding Admiral, Battleships, since such an ostensible correction of reports already in circulation might jeopardize their effectiveness. The suggestion of the Commanding Admiral, Battleships to represent these movements as well as other similar measures as attempts to mislead the enemy while the vessels are in reality out of commission will be utilized at some other opportunity.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

Some reconnaissance activity in the direction of the Skagerak and the German Bight. Mine-sweeping activities along the southeast coast.

Own Situation:

A belated report states that on 8 Jan. the Norwegian steamer BYGDOEG was slightly damaged by 3 bomb hits from enemy planes. Enemy air activity over the West Frisian Islands without particular damage.

2. Norway:Enemy Situation:

According to radio monitoring new British forces, presumably reinforcements, have appeared in the Murmansk area. The Commander, Home Fleet; the Commander, 18th Cruiser Squadron; and the Commander, Destroyers are thought to be at sea in the Arctic Ocean.

Near Svaertholtklubben a large surfaced British submarine was sighted, which questioned Norwegian cutters about ship traffic.

The Intelligence Center, Norway reports that the British are planning to attack Tromsøe from the north and south with the aid of a battleship and an aircraft carrier by February at the latest. This information comes from the same source which forecast the planned British landings of 26 and 27 Dec.. The enemy intends to advance by ship along the Lyngen Fjord to Skibotten. The landing strength is to be about 5,000 men. Sweden will support the operation. Another agent reports current rumors that Great Britain and Sweden intend to attack northern Norway at and north of Narvik at the risk of losing several large vessels. They plan to shell the airport of Bardu from Soerreisa and to have their forces penetrate simultaneously near Kvaløe and the Malangen Fjord with the object of destroying Tromsøe. Furthermore, a small, well-concealed transmitter was discovered at the Swedish border, which relayed messages to Great Britain via a powerful radio station in Sweden. (See Telegram 1430.)

Group North and the Commanding Admiral, Norway are informed by Telegram 1616; copies to the Admiral, Arctic Ocean and the Admiral, Arctic Coast.

Own Situation:

Destroyers Z "26" and "27" left Trondheim on southerly course. Tanker SAARBURG ran aground at Runa Gal Lighthouse. Attempts

9 Jan. 1942

CONFIDENTIAL

to tow her off have so far been unsuccessful. Her cargo is 9,000 tons of fuel oil, part of the quota for the Admiral, Arctic Ocean. The Admiral, Arctic Coast reports that during the enemy landings in the Vest Fjord on 26 Dec. 1941 only the Coast Guard station at Glaapen was lost. The garrison was captured. The radio station is apparently in enemy hands.

The findings of the Finnish Hydrographic Institute on ice and shipping conditions in the White Sea show that shipping to Archangel can be maintained by medium strong icebreakers from November to January. By peacetime standards shipping is impossible from the beginning of February to the middle of April. From the middle of April on shipping can generally be resumed with the aid of powerful icebreakers. However, if east or northeast winds prevail the packing of the ice floes prevents shipping. Ice remains at Svyatoi Nos from the beginning of February to the first half of May, but to the west the sea is usually completely free of ice.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The laying of the second part of the new mine barrier in the Skagerrak, which was scheduled for 9 Jan., had to be postponed one day because of a delay in loading the mines aboard the vessels. For reconnaissance and security measures to be taken according to instructions from Group North see Telegram 2146.

Group North reports that, according to reports from the Commander, Mine Sweepers, North Sea, at least 200 of the 600 standard mines type "F" exploded on becoming active under water. Thus the purpose of the barrage is defeated by the use of these obviously useless mines. (10 Coast Guard stations in southern Norway and Jutland reported these explosions as continuous heavy gunfire from the direction of the barrage.)

The cause of this regrettable failure must be investigated at once. The Naval Ordnance Division, Underwater Obstacles Branch has been notified.

A Danish fishing cutter was sunk by a mine in the Little Belt.

The 5th and 6th transport groups of the 225th Infantry Division arrived in Riga. The 3rd group was icebound on its return voyage. Ice conditions prevented the 8th group from leaving Danzig. A transport with the advance detachment of the 7th Mountain Division aboard is en route from Stettin to Hangoe. Group North reports that from a naval viewpoint it is desirable to occupy the islands of Seiskari and Lavansaari and to reoccupy Hogland if the Army has not taken Schepel by spring. These islands furnish the best opportunity to blockade Kronstadt Bay with guarded mine fields. (See Telegram 1130.)

The Naval Staff directs the attention of the Armed Forces High Command, Operations Staff and the Army General Staff to the fact that once the ice has melted the island of Hogland will be of increased importance for mining operations and for blockading Kronstadt Bay, since after the resumption of Russian naval activities around the middle of April the enemy's possession of Hogland will badly handicap our operations. The Naval Staff requests therefore that the reoccupation of Hogland be con-

sidered as far as possible. Corresponding telegrams as per Skl I Nord 676/42 Gkdos. in War Diary Files "Barbarossa".

V. Merchant Shipping:

According to newspaper reports, the Portuguese Government has ordered a news black-out of all ship movements to and from Portuguese ports.

With the exception of tankers, merchant ships in the Caspian Sea are each equipped with a 7.5 cm. anti-aircraft gun and machine guns. The guns are manned by naval personnel. The South African Government intends to occupy the port of Beira in Portuguese East Africa. See Brief Report No. 1/42 of the News Series published by the Naval Intelligence Division, Foreign Merchant Shipping Section for further reports and information concerning ship movements in Gibraltar harbor from 16 to 31 Dec. 1941, the arrival of the Russian steamer MICHURUS from Vladivostok in Buenos Aires, etc.

VI. Submarine Warfare

1. Enemy Situation:

Radio monitoring reports that at 1453 a British plane attacked a submerged submarine with aerial bombs and probably made a hit. It was not determined where the incident took place. At 1330 another plane sighted a submarine on a 300° course about 120 miles northwest of Brest. On 7 Jan. a British vessel sighted a submarine north of Marsa Matruh on a 340° course.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

The Submarine Situation in the Mediterranean:

The report on the submarine situation made by the Naval Staff, Operations Division in the Chief, Naval Staff's conference on 2 Jan. was based on the evaluation of 30 Dec. 1941 by the Commanding Admiral, Submarines, a copy of which as per 1/Skl 2220/41 Gkdos. Chfs. is in War Diary, Part C, Vol. IV.

In accord with the proposals submitted by the Commanding Admiral, Submarines, the Naval Staff, with the consent of the Chief of Staff, Naval Staff, observed on 2 Jan. that submarines must concentrate their operations on the central and eastern part of the Mediterranean. This decision was based on the more favorable developments in Libya and the improved Mediterranean situation in general due to successful German submarine operations and the successes which our mine offensive has produced so far or may be expected to produce in the future. At the same time, the Naval Staff stated that it is no longer so vitally important to prevent at all cost an influx of enemy forces through the Strait of Gibraltar. The Navy's principal task remains insuring the safe conduct of supply transports to Tripoli. Since the sinking of the

9 Jan. 1942

CONFIDENTIAL

ARK ROYAL it has become very dangerous for our submarines to pass through the Strait of Gibraltar; besides this, increased operations of Italian transport submarines will undoubtedly entail a curtailment of repair facilities for German submarines. In view of these considerations the Naval Staff has instructed the Commanding Admiral, Submarines to transfer only two or three more submarines to the Mediterranean. The eastern Mediterranean is to be the focal point of operations; only two or three submarines are to be stationed in the western part to patrol the shipping routes and to make occasional thrusts in the direction of the Strait of Gibraltar. The Commanding Admiral, Submarines is to station at least three submarines west of Gibraltar. Their tasks will include patrols in the direction of the Azores. See War Diary, Part C, Vol. I for corresponding instructions to the German Naval Command, Italy and the Commanding Admiral, Submarines as per 1/Skl I op 2220/41 Gkdos.

The Commanding Admiral, German Naval Command, Italy judges the situation differently. According to the opinions of the Commanding General, Armed Forces, South, the German General at the Italian Armed Forces Headquarters, and General Rommel, the momentary lull in Libya is only due to exhaustion on both sides. Tripolitania can be held only if a regular supply system can be established, which presupposes air and naval supremacy in the Mediterranean. Successes which have been achieved so far have not yet had any strategic effect. The task set forth in the Fuehrer Directive still lies ahead. The Commanding Admiral, German Naval Command, Italy thinks therefore that a reduction of the number of submarines in the Mediterranean is impractical and that even the number originally provided would be inadequate to accomplish the expected tasks.

The Naval Staff replies to this charge that, although the situation in the Mediterranean has so far by no means been decided in our favor, it is at least no longer as tense as it was at the end of November. Therefore we no longer have to send submarines through the Strait of Gibraltar at any price. In accordance with the original plan, thirty four or thirty five submarines have been transferred to the Mediterranean, eight of which were lost or damaged. The new plan merely provides that these losses are not to be replaced, and that the forces around Gibraltar will not be maintained at their former strength. Also decisive was the necessity to operate within the limits of the repair capacity. Text of the corresponding memorandum to the German Naval Command, Italy as per Telegram 1/Skl I op 16/42 in War Diary, Part C, Vol. IV; a copy is forwarded to the Commanding Admiral, Submarines.

In view of the probable loss of three additional submarines in the eastern Mediterranean, U "79", "75", and "374", the Naval Staff decides after all on 9 Jan. to send three more submarines into the Mediterranean during the coming new moon phase. The Commanding Admiral, Submarines is advised accordingly and instructed to draw them from the medium-sized boats in the ports of western France which are about to become available for duty rather than from forces now in the Atlantic operations zone. Text of the telegram to the Commanding Admiral, Submarines in War Diary, Part C, Vol. IV as per 1/Skl I u 54/42 op Gkdos. Chfs; a copy is forwarded to the German Naval Command, Italy.

The Chief, Operations Staff, Armed Forces High Command is informed about the present submarine and PT boat situation in the Mediterranean. Copies are sent to Commander Junge and Captain von Puttkamer via the Armed Forces High Command, Operations Staff. Text as per 1/Skl I u

55/42 Gkdos. Chfs. in War Diary, Part C, Vol. XIV. (See War Diary 8 Jan., Special Items, Paragraph 1.)

VII. Aerial Warfare

1. British Isles and Vicinity:

For details on the enemy's early morning raids on Brest and Cherbourg see Situation West Area. Lively reconnaissance activity of our forces along the southwestern and eastern coasts of the British Isles.

2. Mediterranean Area:

The raids on Malta are continuing.

3. Eastern Front:

Belated reports from 8 Jan. tell of successful combat missions in the area east of Kharkov. On 9 Jan. extensive reconnaissance over the Russian Black Sea ports.

4. Special Items:

Planes to be furnished for the GRAF ZEPPELIN:

The Fuehrer has decided to continue the construction of the aircraft carrier and is convinced that the Air Force can for the time being help out with converted planes (see War Diary 19 Nov. 1941). In view of this decision, the Air Force General with the Commander in Chief, Navy and the 8th Air Inspectorate were requested on 8 Dec. to clarify the situation. The Naval Staff did this in order to induce the Air Force to inform the Fuehrer that it is impossible to convert planes of the current standard type for the GRAF ZEPPELIN, and that therefore the Fuehrer's wish cannot be complied with. This plan failed because the Air Force, Operations Staff obviously hesitated to report to the Fuehrer that the Air Force will not supply planes for operations on the carrier. Instead, the Air Force, Operations Staff informed the Naval Staff on 23 Dec. 1941 that when the carrier is commissioned fifty fighter planes, four dive bombers, and thirteen multi-purpose planes will be available. These are to be furnished by converting planes drawn from front forces.

The above number of planes is undoubtedly sufficient for clarifying technical and tactical problems to a limited extent during the carrier's first trial period. Since, however, construction of these types of planes has been discontinued and no further provisions have been made to resume production, the carrier will at best be available without planes after the trials have been completed.

VIII. Warfare in the Mediterranean

1. Enemy Situation:

According to Italian reports 6 destroyers left Gibraltar for the western Mediterranean on 8 Jan., and 2 destroyers and 1 submarine the morning of 9 Jan.. From Spain comes a report that the HERMIONE is in the western Mediterranean, escorted by the LEGION flotilla. Italian radio monitoring reports that the flagship of the Cruiser Division together with several cruisers was at sea off the Cyrenaica coast to protect supply shipments. German air reconnaissance reports 1 cruiser, 1 destroyer, and 2 merchant ships westbound off Derna in the afternoon. Submarines were sighted southeast of Lampedusa and 80 miles southeast of Cape Spartivento.

2. Situation Italy:

On 8 Jan. the Italian Navy reported that on 18 Dec. assault boats staged a successful attack in the harbor of Alexandria, during which the VALIANT and the BARHAM were damaged by torpedo hits. The VALIANT is allegedly in dock. The news of this considerable success which this daring, highly specialized Italian weapon achieved by ignoring all risks involved apparently did not reach Rome until now because none of the assault boats returned from the mission. The news was received via agent report and radio decoding. According to radio decoding, the damaged British vessels are the VALIANT and the QUEEN ELIZABETH.

3. Transport of Supplies to North Africa:

The steamer PERLA sank (see War Diary 7 Jan.). 8 naval barges with 24 tanks will be ready by 11 or 12 Jan. to leave Palermo for Tripoli. An enemy submarine unsuccessfully attacked the steamer PROBITAS near Sfax.

4. Own Situation:

Successes of German naval forces in the Mediterranean up to 31 Dec. 1941:

a. Submarines:

Sunk: 1 aircraft carrier, 2 cruisers, 2 destroyers, 1 gunboat, 2 patrol boats, 6 steamers (total of 19,000 GRT), 1 tanker (7,000 GRT), 3 transport vessels.

Probably Sunk: 1 torpedo boat, 1 tanker (3,000 GRT).

Torpedo Hits: 2 battleships, 1 transport (8,000 GRT), 1 steamer of unknown size.

- b. Mines: 1 cruiser, 1 destroyer sunk.
5 destroyers, 1 mine sweeper, and 1 training ship were sunk by mines in the Black Sea. (2 additional destroyers sank due to unknown causes.)
1 destroyer was damaged by mines.

This list of successes based on reports on file with the Naval Staff should be sufficient evidence to corroborate the statement that the operations of our forces in the Mediterranean have relieved the situation to a certain extent.

5. Area Naval Group South:Aegean Sea:

The Naval Staff requested the Navy Desk at the Espionage Division of Abwehr to take steps to check promptly and thoroughly all westbound traffic through the Bosphorus. This request has been answered unsatisfactorily with an enumeration of sources for procurement of intelligence and their operating procedures. The request is being repeated with due emphasis. Details in War Diary, Part C, Vol. VIII.

Otherwise nothing to report.

Black Sea:Enemy Situation:

In addition to minor activities of naval forces, air reconnaissance reveals 36 medium and small craft in the Sevastopol area. One heavy and one light cruiser, 2 destroyers and 18 steamers were spotted in Novorossisk during the morning. In Tuapse were what seemed to be 1 light and 2 heavy cruisers, 6 submarines, several torpedo boats, 18 merchant vessels, as well as 1 burning tanker. According to a report by the 11th Army Command the following ships arrived at Sevastopol after 1 Jan. 1942: The cruiser MOLOTOV with 3,000 men, the transport UKRAINE with 8,000 men, the transport BELOSTOV with 3,000 men, as well as smaller vessels loaded with equipment.

Own Situation:

In order to equip the Rumanian Navy reasonably well for the coming spring operations Group South asks for a decision which will expedite compliance with the requests it had previously submitted. Group South had requested the transfer of able destroyer and torpedo boat officers to the Naval Training Command, Rumania, and had requested standard priorities for equipment, armament, and repair of Rumanian naval forces which are to participate in our operations. If the latter request is to be complied with it will become necessary to install a German depot at Constanta in order to avoid the intricate accounting problems which are connected with deliveries of war materiel. A further request addressed to the Naval High Command, Construction Division as well as the Fleet Branch and the Plans and Schedules Branch of the Naval Staff contains details concerning the necessary material aid for the Rumanian vessels. Copies of the requests as per l/Skl 617 and 618/42 Gkdos. in War Diary, Part C, Vol. XIV.

Otherwise nothing to report.

IX. Situation East Asia1. Enemy Situation:

A press report from Saigon states that the remnants of the British Fleet have sailed from Singapore for an unknown destination. U.S. naval forces are said to be en route to Surabaya. The Military Attache in Bangkok reported on 7 Jan. that additional Chinese reinforcements are being sent into Burma.

2. Situation Japan:

Parts of the Japanese western column on Malaya landed near Kuala Selangor and united with the beach column to advance jointly to a point 40 kilometers northwest of Kuala Lumpur. Eastern elements of the main column established contact with the western column. The fall of Kuala Lumpur is imminent. Japanese planes attacked Natuna Island in the Dutch East Indies. 1 Dutch submarine was sunk. Japanese Headquarters reports that a Japanese submarine sank the U.S. aircraft carrier LANGLEY (11,500 tons) off Johnston Island. 1 Japanese vessel was damaged by an enemy submarine.

X. Army Situation

1. Russian Front:

Southern Army Group:

Enemy attacks were stopped short of the main front line of Feodosiya. At the 1st Panzer Army sector a night attack on the 4th Mountain Division was repulsed. The 6th Army is defending its position successfully.

Central Army Group:

Heavy fighting at places where enemy troops broke through our lines. At the XXIII Army Corps sector the enemy opened another gap in our lines.

Northern Army Group:

Enemy troops which had broken through at Staraya Russa have been mopped up. The break-through at Soltsy was stopped by a counter-attack.

2. Finnish and Norwegian Front:

Mopping-up operations on the promontory near Povyenets are continuing. Local enemy attacks at other sectors of the Karelian Army failed.

3. North Africa:

Enemy advances are still being slowed down by our mines. The Headquarters Section of the Panzer Group has been transferred to a location 10 kilometers west of El Agheila.

10 Jan. 1942

Items of Political Importance

Ire:

Newspaper reports indicate that since the Irish-Americans no longer oppose Roosevelt's policy, an occupation of northern Ireland by U.S. forces will probably meet with little opposition on the part of the Dublin Government. Government representatives may be expected to take a similar attitude in conferences concerning the installation of U.S. bases on the western coast of Ireland for which the Americans are sure to make a bid sooner or later.

France:

In line with the reorganization of the Army and the War Ministry, Darlan ordered the retirement of 42 generals. The selection was based partly on political reasons.

Finland:

Rumors of a separate peace between Finland and Russia keep circulating. An article of some length appeared in the leading Social-Democratic newspaper, discussing the possibility of suspending hostilities. German authorities took steps to have the Finnish Government bring pressure to bear on the author. So far, rumors of Swedish mediation are still being denied in Stockholm, but diplomatic circles there profess to be informed that Stalin is willing to guarantee Finland's autonomy.

Hungary:

A report from the Legation states that German-Hungarian relations have improved lately, a fact which is borne out by the visit of the Reich Foreign Minister. Prime Minister Bardossy's position is said to be more secure. For details about the problem of Horthy's succession see Political Review No. 8, Paragraph 4.

Turkey:

Public interest centers on events in East Asia. It is the concensus of opinion that a Japanese victory will mean the expulsion of all members of the white race from East Asia. The paramount task at the recent conferences in Washington should have been to find a way to peace between the peoples of the white race, so that the momentous racial problem which has arisen in the Far East might be solved.

Arabia:

Although the news of a break in diplomatic relations with Italy has leaked out, no official confirmation is available as yet.

India:

For details about Japanese efforts to influence Indians living abroad see Political Review No. 8, Paragraph 7.

Japan:

According to a report from the Embassy, Tojo is said to have expressed

the opinion that a war between Japan and Russia can hardly be avoided.

Special Items:

I. The Naval Staff has prepared a review of the naval and military situation in the Mediterranean as of 10 Jan. 1942. Since this document pertains to the basic issues to be discussed at the forthcoming naval conference in Garmisch, a copy will also be forwarded to Admiral Riccardi. Text by the Naval Staff, Operations Division in War Diary, Part C, Vol. XIV.

II. War Diary, Part C, Vol. VI contains reports received during Nov. 1941 as well as a survey of the effect of our mining operations. Entry in the War Diary as per l/Skl I E 29766/41 Gkdos.. In addition to confirmed data on damages which our mines in the Suez Canal, the Black Sea, and other places inflicted on the enemy, the above survey contains a detailed description of the enemy's defense measures. Information about their mine-sweeping activities is mainly based on statements made by prisoners of war. The survey also reveals that our opponents are able to sweep mines which are equipped with our current Fab XI detonators. The following tactics would therefore seem advisable:

Up to now there was reason to expect that a concentration of mines which could not be swept would render a port as good as useless, a fact which justified the laying of very dense mine fields off harbor entrances. Now, however, such mine fields are no longer effective due to the relative ease with which they can be swept. On the contrary, they enable the enemy to focus his defense measures on a closely limited area. Mines which can be rendered harmless by our enemy's sweeping devices must therefore be laid in a decentralized pattern covering all approaches, all convoy lanes, and also the areas off smaller ports. In this way the anti-mine defense forces will daily be confronted by a task of such magnitude that they cannot possibly perform it with the required thoroughness.

III. Re: Operations of the vessels lying at Brest. The Armed Forces High Command, Operations Staff (Navy) states that with reference to the report submitted by the Chief, Naval Staff on 8 Jan. (see War Diary 8 Jan., Special Items, Paragraph II), the Fuehrer insists that the vessels which are now lying at Brest be transferred to German ports. He will make his final decision at a conference for which the Chief, Naval Staff; the Chief of Staff, Naval Staff; the commander who is to be in charge of the operation; the Commanding Admiral, Defenses, West; and the Air Force General responsible for air support are expected at Headquarters as soon as possible. The Chief, Naval Staff is requested to inform Fuehrer Headquarters of the date.

The Fuehrer is in complete agreement with the proposal concerning the TIRPITZ and the SCHEER. Preparations can be started. The date will be decided on at the forthcoming conference. The Fuehrer has decided that the SCHEER should operate between Germany and Norway.

Situation 10 Jan. 1942I. War in Foreign Waters1. Enemy Situation:Indian Ocean:

Radio monitoring reports that on 9 Jan. the RAMILLIES was located near the Cape of Good Hope, and the INDOMITABLE in the eastern Indian Ocean.

Pacific Ocean:

Peru has ordered all lighthouses blacked out. Only the lights at Callao are to remain lit. A Chilean freighter sighted 2 unidentified cruisers near Easter Island. According to a completely incredible Japanese Attache report from Maipo, the FORMIDABLE and 2 battleships passed through the Panama Canal on 12 Dec., the FURIOUS and 2 cruisers on 14 Dec., and the YORKTOWN and another carrier on 21 Dec.

Data in our possession shows that the above-named vessels were at that time located in entirely different areas. (See War Diary 16 Dec. 1941.)

2. Own Situation:

Information about the enemy situation to all concerned via Radiograms 1901 and 2022.

The commander of ship "10" submitted a letter containing a survey of problems encountered during his first attempt to run the blockade, as well as recommendations for future operations of this nature based on his experiences. He states first of all that it could hardly be explained why Group West had chosen for the departure of the BENNO and ship "10" the very days on which enemy reconnaissance was particularly active and the enemy situation so unfavorable. He concludes that our latest losses in the Atlantic are due to entirely natural causes; that they can be attributed to the enemy's excellent reconnaissance system rather than to espionage on land which, if it is at all responsible, certainly played only a minor role. On the basis of experiences made by ship "16" and the PYTHON, the commander of the auxiliary cruiser once more recommends that inbound and outbound vessels be supported by submarines. The Naval Staff comments on each of the above points. Via the 4th Defense Division ship "10" is being advised of the directive issued to Group West whereby the decisive factors to be taken into account in setting a date for an operation are first, weather; second, enemy situation; and third, moon phase. The Naval Staff also states that in its opinion the enemy's particularly active air reconnaissance during the days when the BENNO and ship "10" were scheduled to depart was probably due to the fact that repairs on our battleships at Brest had been completed at just about that time, so that the BENNO might have been mistaken for a fleet tanker. Also mentioned is the fact that even under good weather conditions the enemy has not enough planes at his disposal to cover all our zones of operations, which makes his reconnaissance system somewhat less than perfect. The Naval Staff believes furthermore that since a vessel is 4 days in passing the principal danger zone the enemy may very well launch his countermeasures on the basis of information supplied

10 Jan. 1942

CONFIDENTIAL

him by land espionage. The forces at our disposal permit no change in the directive concerning submarine escorts. The need for them is being kept in mind at all times, however, and appropriate steps will be taken as soon as the situation warrants.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Atlantic Coast:

60 to 80 enemy planes raided Brest from 0300 to 0830. About 150 high explosive bombs were dropped, but caused no particular damage.

The Commanding Admiral, Battleships asks the Naval Staff to endorse his request to the Naval Ordnance Division, Artillery Branch for the installation of quadruple 2 cm. gun mounts on the turrets of the vessels at Brest. (See Telegram 1145.)

This request will be granted.

Channel Coast:

3 vessels which comprise the 2nd Torpedo Boat Flotilla entered the area of Group West en route to Le Havre.

Otherwise nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Photographic reconnaissance reports that the following vessels were in Scapa Flow at 1500: 1 battleship of the KING GEORGE V class (rear turret missing, all 4 gun tubes removed from front turret); 1 RODNEY class battleship; 2 heavy cruisers, apparently of the LONDON class; 2 cruisers apparently of the DIDO class; 1 light cruiser, apparently of the LEANDER class; 1 aircraft carrier of the ILLUSTRIOUS class. Scattered over the entire area were 8 destroyers, the WOOLWICH, 1 floating dock, 1 auxiliary naval vessel, 2 net layers, 1 tanker, and 15 freighters. The IRON DUKE, 2 passenger ships, and 9 freighters under steam were lying off Longhope.

Own Situation:

During a low-level enemy attack on 1 of our convoys near Den Helder, the steamer TUEBINGEN was hit and lost her rudder. She

10 Jan. 1942

CONFIDENTIAL

was towed back to Rotterdam. At 2140 enemy planes raided Wilhelmshaven. 1 large floating crane was damaged in the shipyard. Otherwise only minor damage. No loss of production.

Information received at the Naval Staff indicates that Scapa Flow can no longer be considered the only main anchorage of the British Home Fleet. Heavy vessels are also using the ports in the Firth of Moray (Inverness, Cromarty) more and more frequently for short rest periods and for taking on supplies. The Firth of Forth must be considered the principal repair base. It is also the main base for the cruisers of the Home Fleet and the aircraft carrier which is operating in the Arctic Ocean.

In view of the above the Naval Staff requests the Commander in Chief, Air to have the 5th Air Force cover in its regular photographic survey also the ports in the Firth of Moray and occasionally the Firth of Forth. It is important that Scapa Flow and the Firth of Moray be reconnoitered at the same time if possible. (See Telegram 1010.) A copy of this request is being forwarded to Group North.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

A Russian air raid on Vardoe at 1056 caused no damage. Attempts to free the tanker SAALBURG by towing have failed so far. Ship and cargo are in serious danger.

Submarine U "584" reports having sunk an enemy submarine in quadrant 8493; the Admiral, Arctic Ocean adds: "Not for publication".

The Commanding Admiral, Norway underestimated the numerical strength of the 11th Subchaser and the 5th Mine Sweeper Flotillas which are to relieve some of his forces (see War Diary 8 Jan.). Group North revises the estimate, stating that by the middle of February approximately 10 subchasers will be available which will later be supplemented by 2 more. In addition to the 6 vessels of the 5th Mine Sweeper Flotilla, the 8 vessels comprising the 5th Motor Mine Sweeper Flotilla as well as its flag ship, the ELBE, will be ready for transfer by the end of January. Nevertheless, Group North recommends that a moderate increase in the fuel oil quota be approved so that the 12 most economically operating vessels of the 22 mentioned by the Commanding Admiral, Norway can be reinstated. The 10 remaining vessels are to be held in reserve so that losses can be replaced quickly. (See Telegram 1225.)

The Commanding Admiral, Norway reports that the following mine operations are being planned:

a. 8 offensive mine fields to be laid by destroyers from east of Kildin Island up to the White Sea approaches.

b. 6 offensive mine fields off Kola Bay, 3 to be laid by destroyers and 3 by PT boats.

10 Jan. 1942

CONFIDENTIAL

c. 3 mine fields to serve offensive as well as defensive purposes. One of them to be laid north of Rybachi Peninsula near Cape Nemetski and two on Oste Bank.

d. 9 flanking mine fields to be laid in the area of the Admiral, Arctic Coast to protect the shipping route from Arnoe to Helnes against submarines and surface forces. The first field has already been laid by the COBRA. It is planned to supplement these mine fields with flanking mine fields which are to be laid in the open sea to protect the shipping route from North Cape to Kirkenes.

e. A mine field to protect Harstad.

f. Plans are also being drawn up for the following operations:

(1) Mine fields to be laid on the northern coast of Norway to protect the Trondheim Leden and the Fro Havet.

(2) Flanking mine fields to be laid on the western coast of Norway to protect the shipping route near Stadland; and other mine fields to protect the submarine base at Bergen against enemy submarines and surface forces.

Copy of the report as per 1/Skl 817/42 Gkdos. in War Diary Files "Barbarossa".

With reference to the report on the situation by the Commanding Admiral, Norway of 31 Dec. 1941 (see 1/Skl 30278/41 Gkdos. in War Diary, Part C, Vol. IIA), the 5th Air Force remarks that the decisive factor in fighting the enemy naval forces in Kirke Fjord was not the lack of planes in Bardufoss, but weather conditions. Even if the precaution had been taken at that time to station planes at Bardufoss or Bodo they could not have been used. (See Telegram 1735.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

1. Enemy Situation:

The British Government has demanded that the Norwegian ships in Opeteborg which have been interned temporarily be released at once. It is therefore not impossible that these vessels will be free to sail within the next few days, although such action is not likely to be taken before the opposition has had a chance to be heard. No clearance certificates have as yet been requested for the vessels but various intelligence reports indicate that they might soon try to escape.

Radiogram 1010 informs Group North, the Commanding Admiral, Norway, and the Commanding Admiral, Defenses, Baltic Sea.

2. Own Situation:

The scheduled mining operations which were to be continued in the Skagerrak had to be postponed due to weather conditions.

Naval Group North reports the receipt of a reply from the Northern Army Group to the request for annihilation of Russian forces in Kroa-

stadt (see War Diary 2 Jan.). The Army Group states that it has requested reinforcements for the 1st Air Force because it is impossible to destroy the naval vessels and shipyards in Kronstadt by artillery fire. The Army Group remarks also that at present it is unable to clear the Oranienbaum area of enemy forces. No estimate can be made at this time whether sufficient forces for such an operation will be available by spring. Copy of the corresponding telegram as per l/Skl 752/42 Gkdos. in War Diary Files "Barbarossa".

V. Merchant Shipping:

On the basis of ships' names alone, the Foreign Merchant Marine Branch of the Naval Intelligence Division has determined that 732 vessels totalling 4,800,000 GRT sailed from America to Britain between 1 May and 30 Sept. 1941. This represents a monthly average of 146 vessels totalling 960,000 GRT, a figure which is far below the real volume since it was possible to determine the names of only a fraction of the vessels which were actually engaged in these operations. The survey permits a few conclusions, however, which partly corroborate available data, and which are of value for planning the war against Britain's lifeline. Among other facts, it shows that 70% of the British supplies from America come from the U.S. east coast, and that 80% of this amount is sent from New York. 20% of the supplies come from South American ports. Report No. 1/42 by the Foreign Merchant Marine Branch of the Naval Intelligence Division contains a detailed analysis of the above survey, a report about Swiss merchant shipping during October and November 1941, a report about the South American merchant marines and their importance to the U.S.A., and a report about British supply shipments in the Indian Ocean.

VI. Submarine Warfare

1. Enemy Situation:

According to radio monitoring, a British plane reported a probable hit on a surfaced submarine southeast of the Isle of Man. (None of our submarines could have been involved.) At 1820 a sub-chaser reported a submerged submarine about 200 miles northwest of the Faroe Islands. The Yugoslav steamer NIKOLINIA MATKOVIC asked for help 450 miles northeast of Belle Isle, because she had lost her rudder. An intelligence report states that on 9 Jan. a British dispatch boat was cruising near Horta, presumably to protect the cable layer which is working in that area.

2. Own Situation:

Report in War Diary, Part B, Vol. IV.

The Commanding Admiral, Submarines is directed to submit as quickly as possible an estimate of the situation, giving his explanation of it and his plans for operations in connection with the projected large-scale offensive along the American east coast.

VII. Aerial Warfare1. British Isles and Vicinity:

Our planes flew daylight reconnaissance missions. At night 42 planes raided Liverpool. Reports have not yet been received. Enemy planes raided the North Sea coastal area, concentrating their attacks on Wilhelmshaven and Emden. For damage caused see North Sea, Own Situation.

2. Mediterranean Theater:

The air raids on Malta were continued on 10 Jan.. For the first time our bombers flew without fighter escort.

Distribution of the German Air Force in the Mediterranean:a. II Air Corps (Sicily):

5 bomber groups, 2 fighter groups, 1 night fighter group, 2 reconnaissance squadrons, and 1 dive bomber squadron.

b. Air Commander, Africa:

3 fighter groups, 2 dive bomber squadrons, and 1 bomber and 1 reconnaissance squadron.

c. X Air Corps (Greece):

4 and 1/3 bomber groups, 3 reconnaissance squadrons, 1 fighter bomber group, and 1 fighter squadron.

3. Eastern Front:

Operations centered on the Central Army Group sector in the Sukhinichi area. Dive bomber raids near Staraya Russa.

On 9 Jan. the following vessels were sunk in the Black Sea during bomber raids: 1 cruiser in the harbor of Sevastopol and 1 transport (4,000 GRT) near Feodosiya. The following vessels were damaged: 2 steamers (2,000 to 4,000 GRT) near Feodosiya and 1 steamer (3,000 GRT) in Novorossisk.

VIII. Warfare in the Mediterranean1. Enemy Situation:

According to an Italian report, the mine layer MANXMAN of the ABDIEL class arrived in Gibraltar during the night of 9 Jan.. On 9 Jan. a British gunboat was sighted cruising off Melilla. She was presumably checking on the Spanish steamer LOLA, which is allegedly supplying Axis submarines. On 9 Jan. submarines were sighted near Cape Colonne and on 10 Jan. near Antiparos Island. Italian radio monitoring reports that the Commanding Admiral of the British Mediterranean fleet has been in port since 9 Jan.. Enemy ships leave Marsa Matruh regularly at night to unload supplies along the Cyrenaica coast.

10 Jan. 1942

CONFIDENTIAL

According to statements made by captured British pilots from Malta, the BARHAM was allegedly sunk about a month ago by an Axis submarine. The British Admiralty reports that the cruiser GALATHEA was sunk by a submarine. According to a Swiss newspaper report, the cruiser PHOEBE was not sunk but arrived in New York.

2. Situation Italy:

The steamer FEDORA was torpedoed in the Ionian Sea by an enemy submarine.

3. Transport of Supplies to North Africa:

Nothing of importance.

4. Area Naval Group South:

Aegean Sea:

Enemy submarines unsuccessfully attacked one of our lighters near Cape Sunium and a motor cutter of the PANIGAGLIA's net barrage group off Suda Bay.

Black Sea:

Enemy Situation:

Air reconnaissance observed nothing new. According to an intelligence report, the Russians have almost completed the harbor installations at Ochemchiri near the Caucasus. A large part of the Black Sea fleet has been transferred there from Crimean ports.

Own Situation:

1,306 partisans were shot in Eupatoria under martial law. The attack on Feodosiya is scheduled to be launched on 11 Jan.

Otherwise nothing to report.

IX. Situation East Asia

1. Enemy Situation:

According to radio decoding, the convoy which left Melbourne on 21 Dec. for Singapore has been designated MS 1. The British steamer AQUITANIA is supposed to sail in the MS 2 convoy.

2. Situation Japan:

According to newspaper reports, Japanese forces occupied Kuala Lumpur in Malacca.

X. Army Situation

1. Russian Front:

Southern Army Group:

An enemy attack at the Feodosiya sector was repulsed. Otherwise the situation in the Crimea remains unchanged. The 1st Panzer Army and the 17th Army sectors remain quiet. Successful advances of the groups commanded by Dostler and Neuling at the northern wing of the 6th Army.

Central Army Group:

Enemy attacks near Bogdanovo and between Veyno and Ozerno at the sectors southwest and west of Moscow were repulsed. The enemy occupied Dolgaya and Staritsa. Enemy forces of considerable strength launched attacks northwest of Moscow after concentrated artillery preparation. Fighting is still going on.

Northern Army Group:

Enemy attacks in the Staraya Russa area were repulsed. Near Soltsy the enemy succeeded in penetrating the 21st Infantry Division's sector in a width of 1 km.

2. Finnish and Norwegian Front:

Enemy attacks on the peninsula southwest of Povyenets have been repulsed.

3. North Africa:

The enemy situation remains unchanged. During the night of 9 Jan. the fronts of the German Africa Corps and the Italian Motorized Corps were withdrawn as planned within the area east and south of El Agheila. The enemy did not establish contact with the rear guards. Enemy naval forces fired on Halfaya.

4. Special Items:

The military as well as the naval attaches have been informed of the memorandum issued by the Army General Staff on 3 Jan. which reads as follows:

I. Eastern Theater of War: Failing to recognize that German withdrawals followed a predetermined pattern to shorten our front, the commanders of the Russian Army gathered the bulk of their reserves for 1942, which are made up of all classes and age groups, and drove them in a mass offensive against the entire German front. Although the Russians did occasionally achieve local successes by throwing large bodies of troops into battle without any ultimate aim and by disregarding all losses, they weakened themselves to an extent which cannot fail to make itself felt. At the present time the outer flanks of the Central Army Group are bearing the brunt of the offensive, which presumably will spread to other front sectors. Successes reported by Russian propaganda are as always highly exaggerated and only designed to make the world forget the crushing defeats of 1941 and the great success of the surprise attack by our Japanese ally.

II. North Africa: The German-Italian command had intended to consolidate our grip on Cyrenaica by taking up a defense position near Ain el Gazala. This plan had to be abandoned in view of supply difficulties (fuel shortage) through which the enemy temporarily

10 Jan. 1942

CONFIDENTIAL

ly gained air superiority, and the threat to our southern flank and our rear from strong, mobile enemy forces.

The combined German-Italian forces withdrew to the Agedabia position, destroying all highways and harbor installations along their route. The withdrawal was executed according to plan, thanks to several successful counterattacks by the German tank forces which once more inflicted serious damage on the enemy. At the present time the enemy is only probing toward the Agedabia position with reconnaissance forces. He also seems to be handicapped temporarily by supply difficulties and the necessity to relieve his badly fatigued front-line troops. Nevertheless, the general aspect of the situation leads us to expect that the enemy will continue to press his offensive against Tripoli in the hope of defeating our forces decisively.

Bardia was abandoned after its supply installations had been wrecked by the enemy's repeated saturation air raids. The bases at Lower Sollum and Halfaya still remain in our hands, but must also be expected to fall due to the lack of supplies.

III. Discussions about personnel changes in the German Army are to be avoided by stating that Germany herself also does not interfere in personnel problems of the armed forces of other nations.

For Personal Information:

During the last few weeks Field Marshals von Rundstedt and von Bock, as well as General Guderian were relieved of their commands because the tremendous strain of the winter campaign had impaired their state of health. Any conclusion concerning the structure of the German Armed Forces High Command proper is out of order, and will only serve to further enemy propaganda purposes.

11 Jan. 1942

Items of Political Importance

France:

A report from diplomatic sources states that since the so-called "Free French" Government is already receiving aid under the Lend-Lease Law, the De Gaulle group may be expected to join the 26 nations which signed the recent declaration of solidarity in Washington.

Great Britain:

The First Lord of the Admiralty, Alexander, emphasized in a speech that Great Britain must at all cost hold out in the Far East. Germany, however, remains enemy no. 1 who must be defeated first.

The Food Minister, Woolton, declared that on 12 Jan. the sugar, cheese, and cooking fat rations which had been increased in November will have to be reduced again, because imports are falling off now that the war has spread to further areas.

Australia:

One of the symptoms revealing the easily understandable tension which has gripped Australia is the resignation of the newly appointed Chief of the Information Bureau.

India:

Diplomatic quarters report that since the latest Indian compromise proposal contains demands approximately corresponding to the maximum concessions which Britain is willing to make, it might very well have been inspired by her.

Egypt:

Resignations of cabinet members prove that internal difficulties prevail in this country also. The opposition party has declared all-out war on the government. The Prime Minister informed the U.S. Minister in Cairo that Egypt needs food rather than weapons which are meant for the British. Roosevelt's statement that Egypt is to be one of the beneficiaries of the Lend-Lease Law has aroused a good deal of criticism.

Finland:

The Finnish press is going to great lengths in commenting on Eden's conference in Moscow. Articles state that the talks undoubtedly centered on the price which Russia is to be paid for participating in the fight against Germany. Comments from Russian sources reveal that authorities in Moscow are satisfied with Britain's promises.

Turkey:

Upon his return from Moscow the British Ambassador categorically denied assertions that the Russians had been granted concessions at Turkey's expense. The British press denounces such assertions as

11 Jan. 1942

CONFIDENTIAL

German propaganda designed to disturb Anglo-Turkish relations. In Turkey the appointment of the former U.S. Ambassador to Moscow as Ambassador to Ankara is interpreted as a sign of considerable activity by the United States.

U.S.A.:

The press announces that Grzesinski, the former social-democratic police president of Berlin, has founded a "Free Germany" organization.

Situation 11 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Pacific Ocean:

Radio monitoring reports that on 4 Jan. the light cruisers DESPATCH and DIOMEDE were located on the west coast of South America.

2. Own Situation:

At 1715 a British plane sighted the homebound blockade-runner ELSA ESSBERGER and unsuccessfully attacked her escort submarine which was near by. After a second, also futile, raid the ELSA ESSBERGER managed to escape further pursuit. The ship is ordered to proceed to Ferrol. For further details see Situation West Area. Information about the enemy situation to all concerned via Radiograms 1847 and 2339.

Special Items:

The Naval Attache in Lisbon advises the Naval Staff that he has procured a list of all British naval vessels which have been sunk. It is compiled from British Admiralty data, the originals of which were at the disposal of the German Consul in Ponta Delgada. The vessels mentioned were sunk between the outbreak of the war and a certain day in 1941 which is not given. The list contains the dates on which the following vessels were sunk: ROYAL OAK; HOOD; COURAGEOUS; GLORIOUS; 10 cruisers; the monitor TERROR; 54 destroyers; 29 submarines, 2 of which the Germans are said to have captured in Heligoland Bight during Jan. 1940; and the river gunboat LADYBIRD which was sunk near Tobruk during June 1941. The list has been turned over to the Deputy Chief of Operations Branch, War Diary Unit of the Naval Staff.

II. Situation West Area

1. Enemy Situation:

At 1400 air reconnaissance located a southwest-bound heavy cruiser east of Falmouth. A convoy of 11 ships was located in the

11 Jan. 1942

CONFIDENTIAL

Bristol Channel proceeding to port, and a considerable number of unescorted ships on diverse courses were observed in St. George's Channel.

2. Own Situation:

Atlantic Coast:

Radio monitoring intercepted the first report from an enemy plane that the ELSA ESSBERGER and her escort submarine had been spotted about 100 miles west of Cape Ortegal. The vessels were on a 150° course. At 1719 the radio station at Land's End relayed an SOS from the British motor ship HOPECROWN, stating that she is being attacked by a British Sunderland plane 100 miles west of Cape Ortegal.

The SOS was obviously a decoy signal from the ELSA ESSBERGER so that she might escape further enemy air raids. Since Land's End relayed the signal the ruse was obviously not detected. Group West proposed to inform the ELSA ESSBERGER accordingly, and to order her to proceed to Ferrol if the assumption is correct that the Sunderland's attack was aimed at the blockade-runner. Group West further requests that, in case the ship docks at Ferrol, the escort submarine be ordered to stand by in the vicinity until further notice. (See Radiograms 2030 and 2155.)

Via Telegram 2155 Group West requests the Air Command, Atlantic Coast to have all available He 115's ready for action at one hour's notice beginning at daybreak.

Radiogram 2107 from the Naval Staff directed the ELSA ESSBERGER to proceed to Ferrol. This information was relayed to the Naval Attache in Madrid, with the request that he inform the pertinent Spanish authorities. (See Telegram 2011.)

No further news concerning the ELSA ESSBERGER was received during the evening.

Channel Coast:

Torpedo boats T "5", "11", and "12" sailed from Le Havre en route to St. Nazaire. Otherwise nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio monitoring intercepted an SOS which the British steamer EASTWOOD (1,551 GRT) sent from the entrance to The Wash.

Own Situation:

See Telegrams 0340, 0730, 0900, and 1015 for detailed reports about damage caused by the enemy air raids on the North Sea area during the evening of 10 Jan.. 3 of the raiders were certainly downed by naval anti-aircraft gunfire, a fourth one was probably shot down.

2. Norway:Enemy Situation:

Radio monitoring located several British vessels in the Murmansk coast area.

Own Situation:

Submarine U "584" arrived in Kirkenes. The planned operation of the 8th Destroyer Flotilla was postponed because of weather conditions.

Ship disasters are unfortunately mounting constantly. On 10 Jan. the steamer ELISE SCHULTE ran aground north of Tromsø; and on 11 Jan. the steamers BARMBECK and MIMONA, as well as mine sweeper "1501" ran aground east of the Tana Fjord.

These accidents will have to be thoroughly investigated. Such completely unnecessary losses of tonnage are intolerable at a time when transport conditions are as critical as at present.

Attempts to salvage the tanker SAARBURG have proved unsuccessful up to now. Tugboat RECHTENFLEHT which sank near Maaloe has been raised.

In order to emphasize the seriousness of the situation, Group North submits reports from the Commanding Admiral, Norway in which the latter requests that his escort vessels be reinforced by a torpedo boat flotilla. The Commanding Admiral, Norway states that the threat from enemy forces is so grave that he is unable to furnish adequate escorts to allow 3 tankers to proceed from Kristiansand South to the north. Group North directed the Admiral, West Norwegian Coast to escort the tankers individually regardless of the loss of time which this procedure entails, and requests the Naval Staff to inform Army and Air Force authorities about the unavoidable delays. (See Telegram 2223.)

As concerns the report from the Intelligence Center, Norway about the enemy's plans to attack Tromsø (see War Diary 9 Jan.), Group North is of the opinion that our only chance to checkmate such an operation lies in the use of an increased number of submarines and bombers, particularly torpedo bombers, as well as an augmented force of PT boats to defend the inner waters of the fjords. The Group reasons that intervention on the part of our heavy vessels could not produce a similar effect; if the predicted attack actually materializes the enemy is sure to bring a superior force of heavy vessels and carriers into play, in which case the possibilities for our own heavy forces would be limited. So long as there are no political reasons for believing that Sweden would about-face to the extent of participating in the attack, Group North is inclined to discount that particular part of the report; if it were true it would change the entire aspect of the situation in the Baltic Sea. See Telegram 1209 for the corresponding report from Group North to the Naval Staff, copies of which have been forwarded to the Commanding Admiral, Norway and the Commander, Naval Air.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The second phase of the mining operation in the Skagerrak which was scheduled for 11 and 12 Jan. was begun on time. The steamer DITTMAR KOEL sustained slight damage astern when she struck a drift mine in the Great Belt.

The 8th transport group of the 225th Infantry Division departed on the evening of 10 Jan. en route to Riga; the 9th group departed on the evening of 11 Jan.

The Commander of the 1st Mine Sweeper Flotilla reported to the Naval Staff, Quartermaster Division, Shipping and Transport Branch that during the preliminary conferences about the projected convoys from Neufahrwasser several Army officers expressed the opinion that the Navy's job of organizing and escorting convoys through icebound areas has been a complete failure. Since it is unknown why the icebreaker CASTOR had to be remodeled during the ice season, the Commander of the 1st Mine Sweeper Flotilla requests to be informed as to how he might answer such charges.

Group North has the Naval Staff's permission to take up this matter, beginning with the pertinent Army Group.

It is certainly to be regretted that the Army officers' impression is partly based on the withdrawal of the CASTOR.

Concerning a memorandum from the Commander in Chief, Finnish Armed Forces about the occupation, or reoccupation, of the coastal islands in the eastern part of the Gulf of Finland, the Army General Staff, Operations Division requests the Naval Staff to survey the possibilities for defending Lavansaari the year around once we have taken that island. The Naval Staff is also requested to state whether it is possible to make the island useless for the Russians and to find out how heavy a load the ice surrounding it will support.

In reply the Naval Staff analyzes the ways in which the Russians might attack Lavansaari as well as the methods by which we might ward them off, stating that it is impossible to make the island useless for the enemy. The Naval Staff emphasizes that unless we are able to occupy Ingermanland and thereby block the western exit of Kronstadt Bay, Lavansaari will be a key position this coming spring if we hope to prevent the Russian fleet from leaving Kronstadt Bay.

Copies of corresponding telegrams in War Diary Files "Barbarossa" as per 1/Skl I op 819/42 Gkdos.

V. Submarine Warfare1. Enemy Situation:

Radio monitoring intercepted an order to a plane to stand by Convoy SC until 1900. The order did not indicate the convoy's position. At noon a British vessel reported a submerged submarine about 200 miles southwest of the Faroe Islands. An unidentified ship

requested help about 300 miles east of Cape Race; a steamer broadcast an SOS message 330 miles south of the southern tip of Greenland. 2 steamers collided in a convoy southeast of Halifax. Another ship was reported sinking in the same area. A convoy, presumably OH 80, sailed from Liverpool in the afternoon of 10 Jan.; another left Gibraltar in westerly direction in the afternoon of 11 Jan.. According to an Italian report, a British convoy is to arrive in Lisbon on 12 Jan.. The Polish transport BATORY will shortly return from Britain to Gibraltar with troops aboard.

2. Own Situation:

A returning submarine sighted a widely dispersed westbound convoy 60 miles southeast of Rockall Bank. Due to the rough sea she could not attack and finally lost contact.

One of our submarines torpedoed a destroyer of the JERVIS class off Tobruk. Her stern was torn off, but the ship was not observed sinking.

According to an arrangement made by telephone between the Chief of Staff, Naval Staff and the Commanding Admiral, Submarines, the Naval Staff will until further notice postpone amending present directives with an order to transfer 3 additional submarines to the Mediterranean. Therefore, only 3 submarines will proceed to the Mediterranean during the coming new moon phase.

See War Diary, Part C, Vol. IV for corresponding information forwarded to the Commanding Admiral, Submarines via Telegram 1/Skl I u 65/42 Gkdos. Chefs., a copy of which has been forwarded to the German Naval Command, Italy.

In compliance with the Naval Staff's request (see War Diary 10 Jan.), the Commanding Admiral, Submarines submits via telegram an analysis of the enemy situation on the American east coast and of our own situation, as well as his conclusions and plans for operations based on this analysis. Text of the telegram in War Diary, Part C, Vol. IV as per 1/Skl I op 70/42 Gkdos. Chefs.

VI. Aerial Warfare

1. British Isles and Vicinity:

Our planes flew daylight reconnaissance missions. During the evening 27 planes laid mines in the Thames. Between 1951 and 2055 Brest was raided by 40 to 50 enemy planes. 50 high-explosive bombs were dropped. The ships remained undamaged.

2. Mediterranean Theater:

In the Mediterranean area the Air Force scored the following successes between 1 Nov. 1941 and 11 Jan. 1942:

Sunk: 1 merchant vessel (6,000 GRT) in the Suez roads; 1 merchant vessel (500 GRT). Both by bombs or aerial torpedoes.

Damaged: 5 cruisers, 3 destroyers, 1 torpedo boat, 1 submarine, and 8 merchant vessels totalling approximately 40,000 GRT.

In answer to the inquiry from the Commanding General, Armed Forces, South, the Commander in Chief, Air has expressed himself in favor of an offensive against shipping in the Egyptian area.

3. Eastern Front:

For reconnaissance observations see Enemy Situation, Black Sea. Upon a directive from the Fuehrer, the Commander in Chief, Air ordered the 5th Air Force to survey ice and shipping conditions in Gorlo Strait and the waters between Archangel and Kandalaksha. Observations reveal that an ice shelf which runs in an easterly direction begins in the center of the east coast of the Kola Peninsula, and that a strip 4 to 6 kilometers wide along the southwest coast of the Kola Peninsula is free of ice. The western half of the White Sea, including the Gulf of Onega and the Gulf of Kandalaksha, is covered with ice (no shipping, no open shipping lane). Up to now, weather conditions prevented a survey of the eastern half of the White Sea and Gorlo Strait.

VII. Warfare in the Mediterranean

1. Enemy Situation:

According to an intelligence report from Spain, a westbound mine-laying cruiser of the WELSEMAN class passed Tangier. In the afternoon of 10 Jan. German air reconnaissance spotted 1 heavy cruiser in Valetta. Italian radio monitoring suspected that the HERMIONE with destroyer escort is in the central Mediterranean; also that during the night of 10 Jan. 1 cruiser, probably the AJAX or NAJAD, and 1 destroyer of the 1st Destroyer Flotilla were located in the Marsa Matruh area, presumably near a convoy. An intercepted message to a British plane contained an order to shift its patrol 80 miles to the west. Reuter reports that a British submarine in the Mediterranean sank 1 transport loaded with troops without doubt, and damaged 1 supply ship.

2. Situation Italy and Transport of Supplies to North Africa:

Nothing to report.

3. Area Naval Group South:

Nothing to report.

VIII. Situation East Asia

1. Enemy Situation:

British planes raided Bangkok. The fortifications on Singapore are being prepared for defense.

2. Situation Japan:

Japanese planes attacked air fields on the island of Singapore. 8 Japanese flying boats flew night raids against Amboina Is-

land. Rabaul was the object of a heavy Japanese air raid. Newspaper reports state that Japanese troops landed on northern Celebes and on Tarakan Island off Dutch Borneo.

IX. Army Situation

1. Russian Front:

Southern Army Group:

The situation remains unchanged. Indecisive battles are being fought at the 6th Army sector. Attacks and counterattacks around Byelgorod, Rzhava, Oboyan, and Zubitskoye.

Central Army Group:

Futile enemy attacks at the 2nd Army sector. At times these attacks were preceded by invitations to desert broadcast through loudspeakers. New enemy attacks at the break-through sector near Lyudinovo forced our troops to withdraw from Zhizdra. Reinforcements for our troops from Bryansk and Orel are approaching though slowed down by deep snow. The situation around Sukhinichi remains unchanged. North of Sukhinichi the enemy is trying to reach the highway Roslavl-Moscow. The XLIII, XIII, XII, and the LVII Army Corps withdrew to new positions with little enemy interference. Strong enemy attacks along the entire front near Borovsk and west of Moscow, which succeeded in penetrating our lines at the V Army Corps sector. Heavy enemy attacks in southerly direction are also in progress west of Rzhev. The left flank of the 9th Army is under strong enemy pressure. Units of the 81st Infantry Division (just transferred from the West) are en route.

Northern Army Group:

Also the right flank of the Army Group is under heavy enemy pressure. Enemy break-throughs south of Soltsy and on the Volkhov front have partly been halted.

2. Finnish and Norwegian Front:

No particular change in the situation.

3. North Africa:

Increased enemy reconnaissance advanced cautiously towards our new positions. A heavy enemy attack against Sollum began this morning.

12 Jan. 1942

Items of Political Importance

Great Britain and U.S.A.:

German military reverses on the Eastern Front have led Anglo-American and neutral circles to misinterpret the entire situation. Reports by diplomats of neutral countries and remarks by the U.S. Naval Attache in Stockholm indicate that the Allies, taking a Russian victory for granted, are already very much concerned with future European problems. It is interesting to note that the hope is being expressed that Russia will be so weakened by her victory that the spread of Bolshevism no longer constitutes a danger, and that Russia's aspirations to gain access to the Atlantic will not be realized. The U.S.A. and Great Britain will guarantee Finland's independence within the limits of the peace treaty dictated by Moscow. They say that for the time being the Allies cannot comply with Stalin's request for a western front; instead they will try to increase the raids along the Norwegian coast, which is the point of least resistance.

A neutral diplomatic source reports that in Washington the U.S. viewpoint that Singapore is of decisive importance and must be defended at all cost has prevailed. The conferences are still going on, and it is to be presumed that they are causing some difficulty.

Special Items:

I. The conference scheduled by the Fuehrer to decide on the assignment of the heavy vessels (see War Diary 10 Jan.) was held at Fuehrer Headquarters in the presence of the Chief, Naval Staff; the Chief of Staff, Naval Staff; the Commanding Admiral, Battleships; the Commanding Admiral, Defenses, West; and the Operations Officer to the Commanding Admiral, Battleships.

As expected, the decision was made in favor of operation "Mandarine".

Minutes of the conference as per Skl I b 145/42 Chefs. in War Diary, Part C, Vol. VII.

II. Redistribution of Defense Forces. In consideration of the nature and extent of present and future tasks in the various areas, the Naval Staff is of the opinion that the defense forces should be distributed as follows:

	Naval Group West	Naval Group North		
	Com. Adm., Defenses, West	Com. Adm., Def., North	Com. Adm., Baltic Sea	Com. Adm., Norway
Mine sweepers, Type 35	4 flotillas	2 flotillas		2 flotillas
Mine sweepers, Type 40	5 flotillas	4 flotillas		3 flotillas
Motor mine sweepers	4 flotillas	2 flotillas		3 flotillas

The Naval Staff, Operations Division confirms the joint decision of 6 Jan. in a corresponding directive to the Naval Staff, Quartermaster Division, adding that in working toward the above goal the available flotillas should be allotted as nearly as possible in proportion to the final distribution. Where this is not possible, the Commanding Admiral, Norway should be favored for the time being.

III. With regard to the measures resulting from the decision reported in Paragraph I, Group North, Group West, the Commanding Admiral, Defenses, West, and the Commanding Admiral, Battleships receive the following directive concerning the assignment of defense forces:

1. The Commanding Admiral, Defenses, West will receive the 1st, 4th, and 5th Mine Sweeper Flotillas, as well as 1 patrol boat flotilla which is to be transferred from the area of Group North.
2. Group North will dispatch all vessels of these flotillas which are ready for action to the west as quickly as possible. The remaining vessels will follow as soon as they have been repaired. The Commanding Admiral, Defenses, West will designate the ports of destination.
3. For the time being, overhaul of the 1st Mine Sweeper Flotilla has to be postponed for 3 weeks. Group North will inform the Commanding Admiral, Norway that the scheduled transfer of the 5th Mine Sweeper Flotilla will have to be delayed.
4. The 6 ships of the 11th Subchaser Flotilla, which will be available for duty by the middle of January, will be transferred north as planned.

IV. The Armed Forces High Command reports that the transfer of an additional Italian division to Crete is desired in order to strengthen the weakened defenses of the island. This division is slated for assignment to the southern coastal sector. Additional Italian ships are a prerequisite in order to transport and supply the troops. German forces are to furnish escort protection and necessary fuel, but current German transport operations must not be greatly hampered on this account.

Situation 12 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

An agent reports that the U.S. intends to organize a strong expeditionary army, the gradual transfer of which to Australia or New Zealand is to take place in the near future. It is probable that major naval units will be transferred to that area, although this supposition has not yet been confirmed. 2 cruisers of the ASTORIA class are said to have already sailed for New Zealand. Tankers en route around the Cape have also been directed to proceed to Australia. At present several infantry divisions are being assembled at New Orleans, Mobile, and Galveston for embarkation. They will probably leave in January.

12 Jan. 1942

CONFIDENTIAL

The U.S. Army Corps has established supply branch depots in Auckland and Wellington. According to another agent report, the British cruiser PHOEBE left the U.S. on 18 Dec.

As far as the Naval Intelligence Division, Communications Intelligence Section has been able to determine, the RENOWN was probably in the Ireland area on 12 Jan., the FURIOUS and the NEWCASTLE in the area of Bermuda, and the FORMIDABLE along the British west coast. (See War Diary 10 Jan.)

An agent in Tetuan with connections to the British Intelligence Service reports that U.S. naval forces are expected to land troops near Ifni on 18 Jan.. Plans are said to provide for simultaneous U.S. landing operations near Gibraltar and in Tangier, with the aid of additional U.S. naval forces. A Spanish agent reports from London that according to General Staff information the Tangier operation is connected with the liquidation of Libya. The same source is said to have given the impression that on the basis of the Washington conferences the major effort of Anglo-American warfare will be directed against Europe instead of the Pacific.

South Atlantic:

The German Consul in Lourenco Marques reports that the governor of Ubangi-Shari stated that 2 strategic highways have been constructed from the French West African coast to the south since French Equatorial Africa joined De Gaulle.

2. Own Situation:

Nothing to report.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Atlantic Coast:

The following observations from 11 Jan. must be added concerning the ELSA ESSBERGER incident:

The British plane, which had reported sighting and attacking the ELSA ESSBERGER at 1715, upon request supplemented this message at 2000 to the effect that it had registered a hit on the German ship. Fortunately this information reached the British too late to allow them to dispatch planes to the area. On 12 Jan. at 0030 our air patrol reported that the ELSA ESSBERGER and her escort submarine were sighted on 11 Jan. at 1600 in quadrant BF 7542. As our plane was about to depart after having received the ship's position report, it observed 5 bomb detonations near the submarine, which dived immediately. The plane then became involved in an air battle with an enemy plane of the "Consolidated Liberator" type, which ended without any particular success on either side. A second German plane observed the bombardment at about the same time, but failed to see the enemy plane.

12 Jan. 1942

CONFIDENTIAL

By Radiogram 0124 the Naval Staff directed the ELSA ESSBERGER on 12 Jan. as had been suggested by Group West (see War Diary 11 Jan.).

On 12 Jan. the Naval Staff directed the ELSA ESSBERGER by Radiogram 1141 to report at once via the Spanish Navy to the Naval Attache, Madrid whether she can depart on the evening of 12 Jan., whether secret documents, including codes for reference points, are still aboard, and what her maximum cruising speed is. On the basis of a favorable reply to the first message according to which a departure on the evening of 12 Jan. is considered possible, Radiogram 1517 directs the ELSA ESSBERGER to sail at that time unless the enemy situation warrants a 24 hour delay. Radiogram 205B advises the vessel that upon her departure the submarine will escort her during the hours of darkness.

Group West has arranged for air reconnaissance along the Spanish and Portuguese coasts during 12 Jan.

The Naval Staff informs the Naval Attache, Madrid and Group West, with notice to the Commanding Admiral, Submarines, of the instructions given to the ELSA ESSBERGER. The Naval Staff requests the Naval Attache, Madrid to find out and report as soon as possible, independent of the measures for departure which have been initiated, whether the ship could be unloaded at Ferrol.

So far it has not been determined whether the ELSA ESSBERGER received the radiograms with the instructions. In any case, by the end of the day no reports have arrived from Madrid confirming the receipt of the radiograms.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

According to radio monitoring, the RESOLUTION is presumably at sea in the vicinity of the British Isles. In the evening the commander of the British PT boats was apparently at sea in the Dover area.

Own Situation:

Nothing to report.

2. Norway:

Enemy Situation:

Radio monitoring located British vessels east of North Cape and probably 2 other vessels between 07° 30' and 22° 30' E on their return voyage to the British Isles.

Own Situation:

On the evening of 12 Jan. the 8th Destroyer Flotilla began mining the west entrance of Gorlo Strait near Kachkovski. The 8th PT Boat Flotilla and the LUEDERITZ transferred from Vardoe to Vadsø because of weather conditions. The grounded steamer ELISE SCHULTE sank in the northern entrance of the Dyroey Sound. The steamer BARMBECK and the mine sweeper M "1501" freed themselves. The steamer GANTER ran aground south of Bodoe. This steamer had taken aboard the Christmas packages from the steamer NORDLICHT which was burnt out by bomb hits. The Norwegian steamer FENJA (200 GRT) ran aground at the same place.

The fact that shipping in the White Sea ceases in peacetime because of ice conditions does not exclude the possibility that important military transports can get through with special aid from icebreakers. This assumption of the Naval Staff is shared by the recent Naval Attache to Moscow. Furthermore, the regularly prevailing south and west winds keep sea lanes open along the outer coast of the Kola Peninsula up to Svyatoi Nos from January to April. The Kola Bay route offers a second possibility for reaching Archangel during the ice season. Therefore the areas in which a mine offensive will disrupt the enemy supply lines most effectively are as follows:

a. Kola Bay

b. Near Svyatoi Nos (mining of entrance to Iokanga Bay and parallel to the coast approximately between quadrants 2276 and 2286. Standard mines, Type C and contact release mines will have to be laid by destroyers as long as special mine-laying submarines are not available).

See War Diary, Part C, Vol. VI for copies of a corresponding directive to the Commanding Admiral, Norway and Group North, with reference to the critique of submarine U "576's" diary by the Commanding Admiral, Norway (see War Diary 31 Dec. 1941). Text as per l/Skl I E 477/42 Gkdos.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea1. Eastern Baltic Sea:Enemy Situation:

According to air reconnaissance, Russian troops with artillery were sighted on the ice between Lavansaari and Tytaersaari. Therefore it must be presumed that the enemy has again reoccupied all the larger islands in the inner Gulf of Finland, and can use them as bases for raids against the coast and for partisan operations.

Own Situation:

The ULM and the BRUMMER executed the second part of the Skagerrak mine operation as planned during the night of 11 Jan.

At noon the SCHLESWIG-HOLSTEIN hit an underwater obstacle in the Gulf of Riga. This eliminates her from further operations. The icebreaker STETTIN has taken over the task of the old battleship. The SCHLESSEN, which will be ready to leave Kiel by the end of the week, will be assigned to operations as soon as possible.

12 Jan. 1942

CONFIDENTIAL

The steamer KERKPLEIN has been diverted to Abo, because the railroad from Hangoe on is not yet operating. The 9th transport group of the 225th Infantry Division sailed from Stettin for Riga on 11 Jan.; the 10th group sailed on the evening of 12 Jan. The 1st and 2nd groups of the 7th Mountain Division sailed from Stettin for Abo.

In view of the allocation of additional defense forces to the Commanding Admiral, Defenses, West, (see Special Items, Paragraph III) Group North orders that effective immediately, convoys to Riga and Libau will proceed without mine-sweeper escorts. The Commander, Mine Sweepers will assign escort vessels. (See Telegram 2358.)

Naval Group North informs the Northern Army Group and the 18th Army Command that the enemy has occupied the islands along the Finnish coast (see Enemy Situation), and emphasizes once more the importance of reoccupying these islands before the thaws. (See Telegram 1703.)

The Naval Staff advises Group North of the directive from the Quartermaster Division of the Armed Forces High Command, Operations Staff, to the effect that all traffic of men on leave from the Eastern Front and all occupied areas in the east except Finland be stopped immediately.

V. Submarine Warfare

1. Enemy Situation:

Radio monitoring intercepted a directive to British merchant ships, which prohibits them to report by radio their crossing of a certain longitude (which was not picked up). In the afternoon of 11 Jan. an SC convoy was probably in the area south or southeast of Iceland. The British steamer CYCLOPS (9,076 GRT) was torpedoed on 11 Jan. about 150 miles south of Halifax. The area was alerted against submarines.

The British Admiralty announced the sinking of the corvette SALVIA (Sept. 1941 in the eastern Mediterranean).

A Spanish agent reports from Spain that on the day of the attack on the MALAYA his cousin, who is the captain of the NEPTUNO, a mine layer used for training purposes, had seen the vessel being towed towards Gibraltar. She was listing heavily to port and the decks were awash.

This would finally give us fairly reliable proof that the submarine attack on the MALAYA was successful. All previous indications, i.e., the first agent report about the vessel having arrived in port with a deep draft forward, the fact that her anchorage was closed off, and the fact that the ship left port only once during the last 6 weeks for a few hours, evidently for maneuvers, were not sufficient to prove conclusively that she had sustained a torpedo hit. The observation from the Spanish warship proves beyond doubt, however, that the ship was damaged severely.

Radio decoding corroborates the British Admiralty's statement in the newspapers that it was the AUDACITY (ex-HANNOVER), not the UNICORN, which was sunk in convoy HG 77.

2. Own Situation:

On her return voyage the submarine U "43" sank 1 steamer in a widely dispersed convoy near Rockall Bank. (See War Diary 11 Jan.) An additional steamer was also reported sunk.

At 0655 a submarine contacted the convoy of 11 steamers which is en route from Gibraltar; at 1330 a second submarine established contact. Toward 1700 enemy destroyers and planes drove off the submarines. They are both following, however.

By Telegram 1515 the Naval Staff directs the Commanding Admiral, Submarines to report any new assignments or changes of assignments of submarines in the operations area. At the same time he is to submit a brief situation report with reasons for the change as well as a list of the ships involved.

VI. Aerial Warfare:

Nothing to report from the British Isles and their vicinity, the Mediterranean, or the Eastern Front.

VII. Warfare in the Mediterranean1. Enemy Situation:

Italian radio monitoring intercepted a report from a British destroyer that she had been attacked by a submarine off Tobruk. After several hours 3 vessels were dispatched from Tobruk to aid her, among them a cruiser and the destroyer ZULU. Radio monitoring also observed ship movements in the Suez Canal. On the basis of certain information, the Italian Navy believes that one or more vessels of the Mediterranean Fleet are being transferred to eastern India and will probably make a stop at Bombay.

2. Own Situation:

Enemy planes raided Buerat-el-Hsun. No damage to harbor installations. A supplementary report states that on 8 Jan. the steamer STURLA was slightly damaged during the air raid on Buerat-el-Hsun.

3. Transport of Supplies to North Africa:

7 transport vessels destined for Tripoli are being loaded at Brindisi and Naples. 2 steamers of the 1st Transport Squadron are scheduled to begin their return voyage from Tripoli on 13 Jan.

Between 14 Nov. and 31 Dec. 1941 the Navy shipped 19,712 tons of the Army's and Air Force's order for 32,250 tons of supplies.

4. Area Naval Group South:Aegean Sea:

A supplementary report reveals that on 28 Dec. 1941 the sub-

marine VENIERO was slightly damaged in Suda by a near-by bomb hit.

Via Telegram 1645 Naval Group South submits a request from the Commanding Admiral, Aegean Sea to the Naval Staff, Communications Division for the installation of additional naval signal stations in the Aegean Sea. The Commanding Admiral, Aegean Sea bases his request on the increased threat from submarines and planes, as well as on the probability that Russia will attempt to break out of the Black Sea and that there will be corresponding operations by British surface forces in the Aegean Sea.

Black Sea:

Enemy Situation:

Air reconnaissance reports that 8 warships, 3 submarines, 6 steamers, and 1 floating dock were observed in Novorossisk on 11 Jan.; and that 1 large warship, 1 destroyer, 15 steamers, and 1 tanker were lying in Tuapse. 1 cruiser and 4 destroyers on northwesterly course were spotted southwest of Tuapse. On 12 Jan. 1 warship, probably a cruiser, was spotted in Feodosiya. Radio monitoring located 1 cruiser and 1 larger vessel with a task force commander aboard at sea. 2 submarines were located off the southeast coast of the Crimea; several PT boats and mine sweepers, and 1 destroyer were located in the Sevastopol area. Off the Turkish coast a large Turkish sailing vessel hit a drifting mine and sank. According to statements by prisoners the cruiser KRASNY KAVKAZ was sunk in Feodosiya by a bomb hit.

Own Situation:

The eyewitness report of a Bulgarian sentry on Pomorie (Gulf of Burgas) indicates that enemy surface vessels may have laid mines in that area. The steamers KARPATI, ZAR FERDINAND, KASSA, and KOLOSVAR are icebound in Nikolayev. Their attempt to break through to Ochakov with the aid of icebreakers failed. The new cold wave prevents the resumption of convoy traffic for the time being.

VIII. Situation East Asia

1. Enemy Situation:

For agent reports about U.S. troop shipments to New Zealand see War in Foreign Waters. For corresponding reports see Telegrams 2300 and 2350.

2. Situation Japan:

The newly formed regiment of Indian prisoners of war is serving in Malacca in the Japanese supply service under Indian officers, and is said to have proved efficient. 15 British air bases have so far been captured on the Malay Peninsula. No further news has yet been received about the landings on Tarakan and northern Celebes.

IX. Army Situation1. Russian Front:Southern Army Group:

The situation remains in general unchanged.

Central Army Group:

Fighting continued in the large pocket which bulges toward the west, in the middle of which Sukhinichi is situated. Enemy attempts to reach the highway near Lyudkovo were unsuccessful. An enemy breakthrough forced us to withdraw our positions at the V Army Corps sector. Enemy pressure on our positions northwest of Rzhev is continuing.

Northern Army Group:

The enemy succeeded in breaking through the left wing of the II Army Corps. Enemy forces advancing on Staraya Russa were forced back.

2. Finnish and Norwegian Front:

At the Karelian Army sector enemy forces advancing across Lake Onega managed to occupy part of a large island east of Petrozavodsk. Enemy attacks near Velikaya Guba were repulsed. Finnish counterattacks were launched to clear up the situation around Vyenshosero. It is suspected that enemy forces are preparing for an attack at the Loukhi sector of the northeastern front.

Strong enemy forces followed our movements. Their leading elements reached the line 10 kilometers west of Bettafal to 20 kilometers east of Marsa el Brega. Planes and artillery attacked and delayed the enemy advance successfully.

13 Jan. 1942

Items of Political Importance

U.S.A.:

Secretary of the Navy Knox declared that the United States' principal interest remains focused on the Atlantic and not on the Pacific. Roosevelt did not fall for Hitler's attempt to divert U.S. and British attention from the Atlantic by bringing about Japan's entry into the war. The primary enemy who must be finished first is well known. Once Hitler has been destroyed, the whole Axis will collapse like a house of cards.

The U.S. Government presented a sharp protest in Madrid against the allegedly uniform pro-Japanese bias shown by the Spanish press about events in Manila.

South America:

Diplomatic sources calculate the outcome of the Rio conference with certain subdued optimism in favor of the Axis cause. However, they admit that pressure by the U.S. might cause some unpleasant surprises. Argentina and Chile are, for the time being, determined to resist such pressure. Brazil's attitude is more doubtful, and she will probably look for a compromise. Should the larger countries remain adamant, Peru and Paraguay will perhaps decline excessive U.S. demands. Uruguay will welcome any anti-German solution. Mexico, Colombia, and Venezuela have already broken off diplomatic relations, while most Central American countries have already declared war on the Axis powers.

10 of the 21 American republics have thus declared war up to now, and 3 have broken off diplomatic relations. 7 republics have declared themselves solidly behind the U.S.A. or consider her a nonbelligerent. This leaves Brazil as the only country which still remains officially neutral. Under these circumstances, and in view of the fact that Brazil may not be expected to be strong enough to oppose the U.S. for any length of time, the U.S. will probably bring such heavy pressure to bear on Brazil, Chile, and Argentina that all remaining countries will consent at least to an immediate break of diplomatic relations with the Axis powers.

Political Review No. 10, Paragraphs 7, 8, and 9, contains a more detailed report on the situation in the various Latin American countries and their attitude towards the Rio conference.

Japan:

The German Ambassador reports that up to now Japanese forces have engaged the Armed Forces of the Dutch East Indies only in local skirmishes. The Netherlands declared war on Japan while the Japanese did not resort to this, since they really did not want to use force against the Dutch East Indies.

In the meantime, Japan has taken stringent military measures and given up hope for a peaceful understanding with the peoples of the Dutch East Indies.

13 Jan. 1942

CONFIDENTIAL

China:

The military situation in the Hankow area has changed very little in the past year. The Japanese could not consolidate any territorial gains. Even Changsha was evacuated again on 1 Jan. 1942. Although the Chinese troops are no longer able to launch major campaigns, their presence constitutes a continuous threat and an economic strain.

Sweden:

In his speech at the opening of Parliament the King emphasized his desire to maintain neutrality and to preserve peace and unrestricted freedom. He described the food situation as being anything else but comfortable.

Hungary:

According to newspaper reports, the German Foreign Minister is said to have demanded considerable reinforcements for the Hungarian troops on the Eastern Front during his visit in Budapest.

Turkey:

A news dispatch from Beirut states that during visits to Syrian localities General Catroux has encouraged enlistment drives for De Gaulle sympathizers for the Libyan front. The first contingent is said to be on the way. The volunteers are to serve as substitutes for the Australians who have been sent home from the Middle East.

Situation 13 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

South Atlantic:

A Spanish steamer reports that on 12 Jan. a southbound convoy of 7 steamers, 1 destroyer, 1 escort vessel, and 1 plane was sighted about 360 miles south of Cape Verde. On 13 Jan. radio monitoring intercepted a submarine warning for a position approximately 40 miles southwest of Las Palmas. No German submarines were located in that area.

Indian Ocean:

According to radio monitoring, the INDOMITABLE was located in the area of Aden on 13 Jan.. The carrier might proceed to the Red Sea rather than to East Asia.

2. Own Situation:

Via Radiogram 1043 blockade-runners SPREEWALD and OSORNO were instructed about the procedure by which planes will render recognition signals when the vessels enter home waters.

Etappe Tokyo reports that loading difficulties may be expected to delay the departure of blockade-runners PORTLAND and WINNETOU until the middle of February. The Armed Forces High Command, Foreign Intelligence Section forwards the Naval Staff a report from the Naval Attache in Tokyo of 8 Jan., which states that after the fall of Singapore attempts will be made to load and dispatch rubber ships directly from the producing country in order to reduce the route around the Cape by one fourth. The Naval Attache in Tokyo also reports that the Japanese Navy continues to urge that German strategy must be aimed at gaining access to the Indian Ocean. Once that goal has been reached the Japanese Navy will assemble convoys in Singapore.

II. Situation West Area

1. Enemy Situation:

On 3 Jan. an agent reported from Lisbon that the British are making feverish preparations for landing operations in the Cherbourg-St. Malo area within the near future. A pincer attack west and east of Cherbourg is said to be planned.

2. Own Situation:

Atlantic Coast:

The Naval Attache in Madrid reports that departure of the ELSA ESSBERGER is planned for the evening of 13 Jan.. She has a cruising speed of 13 3/4 knots. Secret documents are aboard. The Naval Staff informs Group West and the Commanding Admiral, Submarines via Telegram 0505.

Since it must be assumed that the ELSA ESSBERGER has not received the earlier radio directives of the Naval Staff (see 12 Jan.), Group West requests the Attache in Madrid to instruct the ship about her rendezvous with the escort submarine. But since the Group feels that available defense forces are insufficient to protect the transfer of the ship adequately, the Attache in Madrid is instructed to keep the vessel from sailing. Group West transmits the following radiogram to the ELSA ESSBERGER: "Cancel sailing, await further orders", to which the Naval Staff adds: "Keep radio tuned until 2400 German Summer Time 14 Jan.." (See Radiogram 1652.) The Attache is advised that in view of the valuable cargo and the danger in the Bay of Biscay it is intended to unload the vessel in Spain. He is instructed to submit proposals for unloading and transporting the cargo. (See Radiogram 1716.)

Group West and the Commanding Admiral, Submarines are informed accordingly via Telegram 1717.

The Naval Attache, Madrid replied to the inquiry of the Naval Staff (see War Diary 12 Jan.) that El Ferrol has no suitable commercial harbor with warehouses. If it is decided to unload and store the cargo at this port, it might only be done at the Navy Arsenal upon prior approval of the Navy Minister. Spain's critical transport situation precludes shipping all but small amounts of high priority freight via that country. For that reason the Naval Attache has not informed Spanish authorities. On 13 Jan. the Naval Attache in Madrid

13 Jan. 1942

CONFIDENTIAL

reports that unloading and transporting the cargo would prove very difficult because it consists almost exclusively of goods the transit of which Spain cannot allow on the basis of her agreement with Great Britain in 1940. The size of the shipment makes it impossible to disguise it. Besides the previously reported transport difficulties, it must be expected that navicerts will be refused. On 14 Jan. the Ambassador will attempt to find a solution by conferring with the Minister of Commerce; he has, however, little hope for success.

The departure of ship "10" has been scheduled for 14 Jan.

Channel Coast:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

According to radio monitoring air activity was limited. Air reconnaissance spotted several convoys along the east coast and off the Thames Estuary. The 5th Air Force reports a correction concerning the photographic reconnaissance of Scapa Flow. (See War Diary 10 Jan.) The 2 DIDO class cruisers previously reported were correctly identified as 2 U.S. cruisers of the PENSACOLA class.

Own Situation:

To camouflage the sailing of the TIRPITZ, the Elbe channel from Brunsbuettel to Elbe III was temporarily closed to merchant ships because of "mine danger".

2. Norway:

Enemy Situation:

In Kola Bay and Ura Bay air reconnaissance observed a total of approximately 40 steamers, 5 destroyers, 2 patrol vessels, and 1 large warship. A small convoy of 2 steamers and 2 escort vessels was leaving Kola Bay. 15 steamers and 1 small cruiser were spotted in Iokanga Bay. An ice-free strip was again observed along the southeastern coast of Kola; otherwise the ice cover was solid.

Own Situation:

Mine-laying vessels BRUMMER and ULM are proceeding from Kristiansand South to the north. No further reports are available due to a breakdown in the telegraph circuit.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

The 9th and 10th transport groups of the 225th Infantry Division are

being diverted to Libau in view of ice conditions. The 11th group sailed from Stettin en route to Libau.

Group North directs the Commander, Mine Sweepers, North Sea by Telegram 1010 to assign vessels of the 18th Mine Sweeper Flotilla and the 3rd Patrol Boat Flotilla as escorts for the transports to Finland and Riga (see War Diary 12 Jan.). Via Telegram 1100 Group North also directs the Commanding Admiral, Defenses, Baltic Sea to transfer the 17th Patrol Boat Flotilla to the Commanding Admiral, Defenses, West.

The SCHLESWIG-HOLSTEIN reports that she is unfit for further duty and that she will probably require aid from tugs (see Radiogram 1750). The Navy Yard, Kiel reports that only 1 tugboat is available, and that 1 only for limited duty, after 5 tugboats were transferred to the Commanding Admiral, Norway in compliance with previous orders, and after other tugboats were put at the disposal of Group North and the Fleet in the Kiel area. If freezing temperatures persist it will therefore be impossible to aid icebound vessels, and submarines in particular, in Kiel harbor and the Kiel Canal. (See Telegram 2200.)

The Army General Staff inquires through the Naval Liaison Officer whether the Navy is willing to garrison the islands along the Finnish coast with the exception of Hogland (see War Diary 11 Jan.) after the Army has reoccupied them. Hogland is to be occupied by Finnish troops. Via Telegram 1616 the Naval Staff forwards a corresponding inquiry to Group North and the Naval Staff, Quartermaster Division.

V. Submarine Warfare

1. Enemy Situation:

Radio intelligence located a British vessel 200 miles southwest of Porcupine Bank, and intercepted a report from Daventry according to which the survivors of the steamer CYCLOPS (9,000 GRT) had reached a Canadian port. The steamer was torpedoed 160 miles off the coast of Nova Scotia.

2. Own Situation:

On 13 Jan. our submarines were unable to reestablish contact with the convoy en route from Gibraltar. Further report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Armed reconnaissance patrols of the 506th Bomber Group sank 1 steamer (6,000 GRT) in a southbound convoy near Scarborough, and damaged a patrol vessel near Outer Dowsing Bank by strafing. A convoy off Yarmouth was unsuccessfully attacked. Near Flamborough Head, Bomber Group 506 damaged one 8,000 GRT steamer in a northbound convoy. No night missions or enemy air raids due to weather conditions.

2. Mediterranean Theater:

Reconnaissance activity. Observations in Enemy Situation, Mediterranean.

3. Eastern Front:

Nothing to report.

VII. Warfare in the Mediterranean1. Enemy Situation:Western Mediterranean:

The Italian Intelligence Service reported on 12 Jan. that the British destroyer WESTCOTT docked in Gibraltar on 7 Jan., apparently damaged by a mine hit. On 12 Jan. 3 destroyers, among them the WESTCOTT, are said to have sailed again from Gibraltar with 9 steamers while 2 westbound steamers passed through the Strait. On 13 Jan. Italian air reconnaissance sighted an eastbound cruiser near Cape Serrat. Radio intelligence intercepted a report from a British plane that it had sighted a convoy, apparently French, of 6 steamers and 3 destroyers near Cape Bon heading south.

An intelligence report from Spain states that the German naval observation post in Tangier was almost completely destroyed; probably the work of enemy agents. The Italians reported that 1 destroyer and 3 steamers were located off Tangier on the morning of 13 Jan., and that on 11 Jan. the British submarine TEMPEST had arrived in Gibraltar from the Atlantic.

Central and Eastern Mediterranean:

On 12 Jan. Italian radio monitoring intercepted a message that a destroyer had been sunk between 0900 and 0955 (see War Diary 12 Jan.). The report apparently came from a British vessel and was addressed to the Commander, Coastal Squadrons and the Commanding Admiral, Mediterranean Fleet.

On 13 Jan. German air reconnaissance observed the following: 4 westbound merchant ships off Derna; 2 cruisers and 5 destroyers, 1 of each in dock, 5 submarines, 1 smaller warship, and 4 large steamers in Malta; 3 steamers in Benghazi; 1 steamer in Derna; 3 steamers in Tobruk. On 12 Jan. German photographic reconnaissance located 1 submarine, 1 gunboat, 1 tanker, 21 freighters, 1 passenger ship, and 5 patrol vessels in Port Said.

2. Situation Italy:

In the morning and evening of 12 Jan. enemy planes raided Tripoli but caused no damage to military installations.

3. Transport of Supplies to North Africa:

Nothing to report.

4. Area Naval Group South:Aegean Sea:

4 lead horned mines, said to have been drifting at 100 meter intervals, were detonated in the northern Suda Bay. A search for an enemy mine field has been unsuccessful so far. Suda Bay has been closed.

Black Sea:Enemy Situation:

Radio intelligence detected considerable movements of patrol and escort vessels in the Crimean area and along the northeast coast, as well as some movements in the Batum area. An intelligence report concerning Russian mine-laying activities states that the southerly passage from Odessa has not been mined. However, off Ochakov and on the route to Kherson PT boats have laid 24 British magnetic mines, the positions of which cannot be accurately determined.

This corroborates our previous assumption that the Russians have no magnetic mines of their own.

Although there are allegedly no mines off Ak-Mechet, the report warns of particularly great mine danger around the Tendra Peninsula, heightened by the presence of numerous wrecked ships there. The intelligence report also contains data about allegedly mine-free sea lanes. (See Telegram 0920.)

Own Situation:

Present ice conditions on the lower Danube prevent the river mine sweepers and 3 gunboats from leaving Galati. The Naval Liaison Officer at the 11th Army Command reports that due to weather conditions it is not yet possible to set a time for the attack on Feodosiya. The Army's order of the day praised the bravery of the naval troops of the Eupatoria Harbor Command.

In view of the tasks which await us at the end of the ice season, Group South urges the Naval Staff, Quartermaster Division to have the French motor mine sweepers for the Danube Flotilla completed no later than by the end of March. (See Telegram 1905.)

5. Situation France:

The Naval Staff has no objections to rearming 8 French submarines which are to be stationed in North African ports for operations off Oran and Bizerte. A corresponding report has been submitted to the High Command, Air, Operations Staff, with copy to the Naval Representative at the German Armistice Commission, via Telegram 1616.

6. Situation Turkey:

An Italian report states that according to a rumor circulating in Turkish quarters Great Britain and the U.S. are said to have submitted a friendly request to the Turkish Government for permission to ship war materiel for Russia through the Bosphorus. Great Britain allegedly promised Turkey aviation material from Egypt.

VIII. Situation East Asia1. Enemy Situation:

British Headquarters in Singapore reports that British bombers attacked Japanese transports which were unloading reinforcements for Kuala Lumpur on the east coast of the Malay Peninsula. Batavia also reports allegedly successful air force operations against Japanese units along the east coast of Borneo and near Tarakan. The Japanese estimate U.S. forces remaining on Balanga Peninsula (Luzon) at about 25,000 men. 2 Japanese divisions which landed on Luzon are slowly advancing against these remnants.

2. Situation Japan:

Headquarters reports that on 10 Jan. Japanese army forces completed the occupation of the submarine base of Olongapo on Bataan Peninsula (Philippine Islands), and that on 11 Jan. Japanese advance units entered Kuala Lumpur. The Military Attaches in Tokyo and Bangkok report that the western Japanese group landed unopposed on Malaya south of Klan to encircle the British positions. Parts of the eastern group advanced from Pekan up the Pahang River. Japanese forces in Burma launched attacks on strong British units near Mergui and Moulmein. Japanese forces from Davao landed on Tarakan Peninsula (Borneo) and near Manado (northeastern Celebes) without any particular difficulties. Japanese troops landed on Masbate Island (Philippines) to liberate 15 Germans and 50 Japanese who had been interned there.

IX. Army Situation1. Russian Front:Southern Army Group:

The situation at the various Army sectors of the Group remains generally unchanged.

Central Army Group:

Our troops in the Sukhinichi area are being supplied by air. Enemy attacks continue. The Russians temporarily reached the highway near Lyudkovo. Enemy pressure south of Medyn forced us to withdraw our position. The XX Army Corps west of Borovsk is under heavy enemy pressure. Supply difficulties prevented the scheduled attack of the 292nd Infantry Division. The situation on the left wing of the 4th Army is still obscure. Air reconnaissance was impossible due to fog and starting difficulties. Fairly strong enemy attacks are in progress near Rzhev.

Northern Army Group:

South of Lake Ilmen our forces repulsed Russian attacks aimed at Staraya Russa. North of the lake, near Soltsy, the enemy succeeded in breaking through the right wing of the 126th Infantry Division and the position of the 21st Infantry Division. All other attacks were repulsed.

13 Jan. 1942

CONFIDENTIAL

2. Finnish and Norwegian Front:

The enemy forces which had broken through our lines on the island near Petrozavodsk were annihilated. The peninsula near Povyenets was cleared of enemy forces.

3. North Africa:

Enemy forces might attack our front between Ain el Wadi and the coast on 14 Jan.. Lower Sollum on the Halfaya front was lost. Our rear guards east of Marsa el Brega were withdrawn. The German Africa Corps has completed preparations for counterattacks in the area southeast of El Agheila.

14 Jan. 1942

Items of Political Importance

France: .

Diplomatic sources report that War Department circles are deeply concerned about the recent retirement of forty-two generals in connection with Darlan's program of bringing the Army in line with Vichy policy. Since Washington still has not answered the latest French demarches concerning the St. Pierre and Miquelon affair, French Government circles are beginning to doubt that an evacuation of the islands may be hoped for.

Great Britain:

At a conference in London the Governments in Exile of the German-occupied countries drafted the following resolution:

1. Acts of violence against the civilian population are contrary to the rules of warfare and the customs of the civilized world.
2. The signatory governments subscribe to the Atlantic Charter of 25 Oct. 1941.
3. One of the principal war aims is the punishment of those who are responsible for these crimes or who participated in them.
4. The guilty will be brought to justice, and it will be seen to it that the verdicts of the courts will be carried out.

On 12 Jan. Prime Minister De Valera delivered a speech in which he left no doubt about the fact that his country's attitude remains unaffected by the renewed British press campaign for bases in Eire which clamored particularly for the ports of Queenstown, Lough Swilly, and Berehaven because they are not only vital for the defense of Ireland but also the logical training sites for the American Expeditionary Forces.

South Africa:

An agent reports that the Japanese declaration of war has caused great concern. The rejoicing about the successes in Lybia has come to an end and the opposition to Smuts is slowly increasing although the various factions are unfortunately not united by a determined leader. Marlan, the leader of the opposition, introduced a proposal in Parliament t at South Africa proclaim herself an independent republic. Economic conditions are poor.

Turkey:

The British Ambassador declared that German reports about Eden's Moscow conferences, according to which he ceded Europe east of the Rhine to the Bolsheviks and consented to Russian control of the Dardanelles, are childish and fantastic. The destinies of neither Turkey, the Balkans, nor Finland were discussed at these conferences. The sole topic was the conduct of the war. The Russian delegates did not indicate any territorial demands beyond their pre-war borders.

14 Jan. 1942

CONFIDENTIAL

U.S.A.:

Roosevelt stated that he discussed the problem of defending the democracies with the Australian Minister. Australian officers will come to Washington for a conference on the situation. However, he has not been informed that also the Australian Prime Minister intends to come.

Siam:

A diplomatic report states that three of the eleven and a half million people in Siam are Chinese, nearly all of whom wholeheartedly supported the Chungking Government prior to Siam's entry into the war. At the present time they support the new order for reasons of expedience, so as to safeguard their positions and their wealth.

Finland:

During the course of administrative affairs it was revealed that the Finns do not consider themselves the allies of Germany in the conventional sense, but that they are waging war independently on the side of Germany.

Special Items:

The Naval Staff informs Groups West and North, the Fleet Commander, and the Commanding Admiral, Battleships of the Fuehrer's decision concerning future employment of the heavy vessels. Text as per 1/Skl I op 99/42 op Gkdos. Chfs. in War Diary, Part C, Vol. IIb.

The Naval Staff informs the Quartermaster Division that maintenance priorities for the SCHEER are to be the same as those for the rest of the fleet since the cruiser will not be assigned to operations in foreign waters until further notice.

Situation 14 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

Radio intelligence located the cruiser CURACAO and the battleship RESOLUTION in the vicinity of the British Isles. A cruiser of the DIDO class arrived in Gibraltar, presumably with the new admiral who is to relieve the old commander of Force H.

South Atlantic:

A British auxiliary cruiser arrived in Rio on 13 Jan. On 10 Jan. the auxiliary cruiser BOUGAINVILLE sailed from Dakar en route to Madagascar. The RAMILLIES has returned to the South Atlantic and is probably located near the Falkland Islands in the same area as the DEVONSHIRE.

14 Jan. 1942

CONFIDENTIAL

Indian Ocean:

The ROYAL SOVEREIGN is presumably located off the coast of East Africa.

Pacific Ocean:

A British cruiser is expected to arrive at Callao.

2. Own Situation:

Sailing orders for motor ship TANNENFELS for the voyage from Bordeaux to Kobe as per 1/Skl II a 88/42 Gkdos. Chfs. in War Diary, Part C, Vol. XI.

Directive to ELSA ESSBERGER concerning broadcast receiving periods in port via Radiogram 2121.

Report on the enemy situation to all concerned via Radiogram 1231.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

During the first 2 or 3 weeks in February the 5th Torpedo Boat Flotilla will probably be needed to perform urgent escort missions in the area of Group West. Therefore, the Naval Staff requests the Quartermaster Division to investigate and to report whether the ships are in good enough condition and manned by crews who are experienced enough to warrant such an assignment.

Otherwise nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio intelligence determines that the cruiser CURACAO is escorting a southbound convoy which is located near Montrose.

Own Situation:

In the afternoon enemy reconnaissance planes flew over the coastal area and Wilhelmshaven. In the evening 30 enemy planes flew over the German Bight. Aerial mines are suspected off the entrance to Esbjerg harbor. 3 enemy planes were shot down, at least 2 of them by naval anti-aircraft fire.

14 Jan. 1942

CONFIDENTIAL

On the basis of the reported British preparations for landings around Cherbourg (see War Diary 13 Jan.) Group North issues orders to increase the vigilance of sentries and observation posts, to speed up the construction of battery emplacements as much as possible, to supply all anti-aircraft batteries with additional ammunition, etc. (see Telegram 1745). Group North believes that navigational conditions speak more for a landing in the Netherlands area than in Normandy. Considering the present situation, it is quite likely that the British will attempt such an operation in order to support the Russian offensive while the bulk of the German Army and Air Force is tied up in the east.

On the evening of 12 Jan. the Naval Staff telephoned Group North in order to convey as quickly as possible the Fuehrer's consent to the transfer of the TIRPITZ to Trondheim. The operations order which the Group released on 6 Jan. under the cover name "Polarnacht" specifies that the ship is to leave the Schillig Roadstead at night and is to reach 58° N by dusk. The 5th and 6th Destroyer Flotillas, with the destroyers PAUL JACOBI, BRUNO HEINEMANN, RICHARD BEITZEN, and Z "29", are assigned as escort forces. The Commanding Admiral, Group North at his headquarters in Kiel will be in charge of the operation. The captain of the TIRPITZ will have tactical command, and the commander of the 5th Destroyer Flotilla will be in charge of the escort forces.

As soon as the Fuehrer's decision was received the Naval Staff contacted the Commander in Chief, Air, Operations Staff concerning air protection, requesting that directions be sent at once to the Air Commander, Central Sector to arrange the necessary measures for the transfer of the TIRPITZ with Group North in strictest secrecy. In compliance with the request, the Commander in Chief, Air directed the 5th Air Force and the Air Commander, Central Sector on 13 Jan. to arrange for the necessary air protection in their areas, and to work out the details directly with Group North. On 14 Jan. the Operations Staff of the Air Force High Command issued an additional directive that the fighter protection provided by the 5th Air Force and the Air Commander, Central Sector is to be supplemented by a fighter-bomber squadron composed of spare planes from other commands. This squadron is to operate in both areas until the TIRPITZ has reached her destination.

The captain of the TIRPITZ and the Fighter Command, German Bight convened on the evening of 13 Jan. to discuss all details of fighter protection.

At 2035 the Naval Staff received a report from Group North that operation "Polarnacht" will begin during the night of 14 Jan.

2. Norway:

Enemy Situation:

Radio intelligence located a British vessel in the White Sea approaches and the British steamer WAZIRISTAN in the area of Kanin Noss.

Own Situation:

The 8th Destroyer Flotilla arrived in Kirkenes after it had completed its mining operation according to plan. 2 boats of the 8th PT Boat Flotilla raided the north and east coast of the Rybachi Peninsula without success. An enemy submarine sank the steamer TUERKHEIM north of Vardoe. A German submarine chaser attacked the enemy subma-

14 Jan. 1942

CONFIDENTIAL

rine with depth charges and observed her bow rising about 5 meters out of the water. Further data is not available.

Enemy planes raided Vardoe on 13 Jan. and submarines unsuccessfully attacked convoy "Nordriff" near Rolfsøe.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

As concerns our new mine barrier in the Skagerrak, an investigation of the reasons for its failure will presumably reveal which part of the barrage of standard mines type F was rendered temporarily ineffective by spontaneous explosion. The Naval Staff directs Group North to lay new mines in the sector concerned. (See Telegram 1515.)

In compliance with the request of Naval Station, Baltic and the Coastal Defense Commander, Western Baltic the Naval Staff, Quartermaster Division decides that the Kiel garrison will not be covered by a smoke screen until further notice.

The 11th transport group of the 225th Infantry Division has sailed from Stettin en route to Libau. The 12th group will sail on 15 Jan. with the rest of the 225th Infantry Division and the first units of SS Legion "Niederlande". The 1st group of the 7th Mountain Division arrived in Hangoe, the 3rd group has sailed from Stettin en route to Hangoe. Group North reports that the precarious situation of the SCHLESWIG-HOLSTEIN demands that an attempt be made to tow her to Duenamuende (Ust Dvinsk).

V. Submarine Warfare

1. Enemy Situation:

Radio intelligence intercepted a submarine warning for the area about 200 miles northwest of the Rockall Bank. A ship was torpedoed 60 miles south of Block Island (off New York). The British steamer DAYROSE (4,113 GRT) was torpedoed in the vicinity of Cape Race. Radio intelligence also intercepted a report stating that an unidentified submarine sank the British cable ship MIRROR in the Atlantic.

2. Own Situation:

A returning submarine sank 3 steamers in a westbound convoy about 200 miles northwest of the Rockall Bank. Shortly before midnight our submarines re-established contact with the Gibraltar convoy. For situation report see War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

Uneventful reconnaissance activity along the southwest and

east coast. During the night 6 of our planes attacked St. Eval and the airfield at Land's End as alternate targets. Enemy air activity over the coastal areas of northern Germany concentrated on Hamburg but caused little military damage. For planes shot down see Situation North Sea.

2. Mediterranean Theater:

For observations of extensive German air reconnaissance see Enemy Situation, Warfare in the Mediterranean.

3. Eastern Front:

For observations of German reconnaissance see Enemy Situation, Black Sea.

VII. Warfare in the Mediterranean

1. Enemy Situation:

Air reconnaissance observed a British force consisting of 1 light cruiser and 4 destroyers which entered Valetta at 0930. According to radio intelligence reports these vessels might have been the HERMIONE and the LEGION destroyer flotilla. 3 destroyers and 2 merchant ships were sighted off Derna; 3 smaller merchant ships were spotted in Derna harbor. Italian air reconnaissance reported 5 unidentified eastbound ships north of Tobruk. Submarines were sighted in the Dodecanese, near Cape Rios, Cape Milazzo, and off Palermo.

2. Own Situation:

The 2nd group of the 3rd PT Boat Flotilla arrived in La Spezia, thereby completing its transfer to the Mediterranean.

3. Situation Italy:

Enemy planes attacked the steamer BROOK near Kerkenna Island. An escort torpedo boat shot down 2 planes.

4. Transport of Supplies to North Africa:

Nothing to report.

5. Area Naval Group South:

Aegean Sea:

Nothing to report.

Black Sea:

Enemy Situation:

Air reconnaissance observed nothing new. A captured Russian naval officer testified that the commanding officer of the Russian amphibious troops at Eupatoria, a commander, was killed by shrapnel from our naval guns. The Russians were evacuated from Eupatoria by PT boats and transports. 2,000 men are said to have arrived in Sevasto-

14 Jan. 1942

CONFIDENTIAL

pol as reinforcements. 1 old battleship, 3 cruisers, 8 torpedo boats, 2 flotilla leaders, 10 submarines, 40 PT boats, 5 patrol vessels, as well as 20 planes ready to take off are also said to be in Sevastopol. 1 cruiser, 6 submarines, and 6 torpedo boats have allegedly been sunk so far. The shipyard and the dry docks are said to be badly damaged.

Own Situation:

Nothing to report.

In reply to the suggestion of the Armed Forces High Command to buy Turkish submarines in the Black Sea (see War Diary 7 Jan.) the Chief of the Submarine Division of the Naval Staff states that this could at best be considered only an emergency solution, whereas an attempt to send German submarines through the Dardanelles and the Bosphorus would be incomparably more advantageous.

Copy of the above as per l/Skl 1034 Gkdos. in War Diary, Part C, Vol. XIV.

VIII. Situation East Asia

1. Enemy Situation:

For the protection of Singapore the British constructed a fake town in the Malayan jungle east of Johore by setting up a gr at number of electric lights. The total number of planes at the disposal of the British Air Force is estimated at 120, including 50 Australian and 40 Dutch planes. These planes are stationed on Singapore and 2 Dutch airfields in Sumatra. The airfield at Medan was evacuated.

2. Situation Japan:

Imperial Headquarters announces that on the evening of 12 Jan. a Japanese submarine scored a torpedo hit on a LEXINGTON-class carrier west of Hawaii. The vessel is presumed to have sunk. An additional communique from Imperial Headquarters states that on 10 Jan. an enemy submarine sank the hospital ship HARBIN MARU in the South China Sea.

The Military Attache in Bangkok reports that Japanese troops have crossed the Burmese frontier 160 miles from Bangkok and are advancing on Tavoy. Japanese planes raided Rabaul on New Guinea.

IX. Army Situation:

1. Russian Front:

Southern Army Group:

Local attacks and counterattacks at the 11th Army sector did not change the over-all situation. Strong enemy artillery activity at the 1st Panzer Army and the 17th Army sectors. The 6th Army's attack on the railroad station of Rzhava was brought to a halt. Enemy

14 Jan. 1942

CONFIDENTIAL

attacks were repulsed.

Central Army Group:

Strong enemy attacks on the highway and northwest of Kaluga. The XIII, XII, and the LVII Army Corps withdrew their positions south of Medyn along the Shanya line. The situation north of Medyn is undecided. Our attack was met by a counterattack from Borovsk. The transportation of tanks and ammunition through the deep snow is extremely difficult. The enemy again broke through the readjusted positions of the V Army Corps. An enemy attack south of Rzhev was repulsed after bloody fighting. The Russians are said to have advanced to the main supply route of the 3rd Panzer Group. Strong enemy forces also broke through the position of the 206th Infantry Division.

Northern Army Group:

The situation north of Staraya Russa remains unchanged. Enemy forces broke through the positions of the 126th Infantry Division north of Lake Ilmen; however, an attack near Soltsy was repulsed.

2. Finnish and Norwegian Front:

Situation unchanged.

3. North Africa:

The situation on the Tripolitania front remains unchanged. The water supply problem on the Halfaya front has become increasingly difficult. 9 German guns were destroyed.

15 Jan. 1942

Items of Political Importance

Norway:

According to foreign news dispatches, Reich Commissioner Terboven has ordered that all former Norwegian Navy and Air Force officers be rearrested because about 100 of them broke their word of honor and took up arms against Germany.

France:

A diplomatic report states that the French Government has declared her neutrality after the outbreak of the war in the Pacific. A protest of the Chungking Government which pointed out that France's neutrality is incompatible with the provisions of the Franco-Japanese Indo-China Pact was answered to the effect that France's neutrality is based on the status quo at the outbreak of the war. Since the pact in question was concluded before that time, the government in Chungking can offer no valid objections.

Great Britain:

In a somewhat lengthy report, the British Admiralty attempts to ridicule German communiques concerning British naval losses. The report shows that at the outbreak of the war the British Fleet embodied 15 battleships, 7 carriers, 62 cruisers, 185 destroyers, and 58 submarines. Up to 1 Jan. 1942 the High Commands of the Axis powers had reported 44 battleships, 20 carriers, 158 cruisers, 183 destroyers, and 95 submarines sunk or severely damaged. The German claim of having sunk 15,700,000 GRT of merchant shipping is incorrect while the Allies, excluding Russia, have sunk Axis vessels totalling 5,200,000 GRT up to the end of 1941.

It should not prove too difficult to refute this attack on the integrity of our reports on a purely statistical basis. To begin with, the total of enemy ships which the official communiques from Berlin and Rome reported sunk and damaged is actually slightly lower than the total mentioned in the British report. Furthermore, the British Admiralty simply compiled one grand total from all vessels which the Axis powers had reported sunk or damaged, without considering the fact that some vessels might have been damaged several times during the course of 2 1/4 years. It is clear therefore, that although the Admiralty's attack caused us considerable embarrassment, it really defeated its own purpose.

Discussions about the formation of an Empire War Council are continuing. Churchill is said to oppose it no longer.

In an editorial on the occupied countries' recent "Atrocity Conference" in London the "Times", with truly British hypocrisy, protests against the plan to make entire nations suffer for the crimes of a few.

Portugal:

The assertion of the Portuguese police that it has information concerning a plot to overthrow Salazar sounds not unlikely. It is said

15 Jan. 1942

CONFIDENTIAL

that British supported liberal and communist elements are ready to launch a coup d'etat.

Turkey:

British authorities advised their nationals to leave Turkey.

U.S.A.:

Knox delivered a speech in which he warned against too great optimism over the situation inside Germany. He said that reports which state that conditions are becoming worse and worse originate either from occupied countries and are therefore subject to suspicion from the very start, or they might even be German propaganda aimed at relaxing her opponents' war effort. He warned that Germany is still the greatest war machine in the world, and also a master in the art of psychological warfare.

Slovakia:

The press angrily attacks Hungary for playing the unjustified role of the predominant power in southeastern Europe.

Special Items:

I. The Commander in Chief, Navy is spending 14 and 15 Jan. at Garmisch to confer with the Chief of the Italian Naval Staff, Admiral Riccardi.

For the minutes and results of the conferences see War Diary Files "Italo-German Naval Conferences in Garmisch".

The Commanding Admiral, German Naval Command, Italy submitted an outline of present conditions for submarine warfare in the Mediterranean and the German Naval Command's plans for future operations. A copy of the outline, annotated by the Naval Staff concerning relevant points to be discussed at the conferences in Garmisch, may be found in War Diary Files "Italo-German Naval Conferences in Garmisch". Copy as per 1/Skl I b 122/42 Gkdos. Chef.

II. In order to change or supplement the present table of distribution for destroyers and torpedo boats (see War Diary 22 Dec. 1941) the Naval Staff directs the following:

1. All destroyers of the 5th and 6th Destroyer Flotillas out on operations and destroyer Z "29" will be assigned to Group West upon completion of their current assignments.

2. All destroyers of the 5th and 6th Destroyer Flotillas which are about to become available for operations will be assigned to Group West.

3. The 8th Destroyer Flotilla with destroyers Z "23", Z "24", and Z "25" remains at the disposal of the Admiral, Arctic Ocean and Group North.

4. When completed, destroyer Z "28" will be at the disposal of Group West.

15 Jan. 1942

CONFIDENTIAL

5. Final fitting operations on destroyer Z "30" will be postponed until further notice. From 1 Feb. on the vessel will be at the disposal of Group West for a limited range of assignments.

6. Effective immediately the 3rd Torpedo Boat Flotilla, with all vessels available for duty or about to become available, is at the disposal of Group West.

7. Group West will arrange transfers to the western area with Group North.

The Naval Staff requests the Quartermaster Division to initiate action insofar as final fitting operations are concerned, and to insure that final fitting operations on destroyer Z "28" will be completed by the end of January.

Situation 15 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

Radio intelligence reports that the RESOLUTION was located in the western North Atlantic, presumably en route to Halifax. The U.S.A. has opened a shipping control station on the Panama Canal.

South Atlantic:

The Foreign Minister of Chile declared that Argentina, Chile, Paraguay, and Peru have concluded an agreement to begin joint fortification of Magellan's Strait.

Attache reports from Valparaiso state that a British cruiser of the NEWCASTLE class has left Punta Arenas on 11 Jan.

Indian Ocean:

According to an intelligence report from Turkey, a battery of British troops is to embark from Bandar-i-Shahpur on 15 Jan. It is said that up to 15 Jan. a total of 25,000 men have been shipped to the Far East.

2. Own Situation:

The Naval Attache in Madrid reports that at 2345 British vessels entered the Spanish harbor Santa Isabel on Fernando Po, seized the German vessels FIAOMBA and BIBUNDI and the Italian steamer DUCHESSA D'AOSTA and towed them off to Victoria (Cameroons). 29 Italian crew members and 2 native guards of the German vessels were taken along. In view of the fact that the entire action lasted only 15 minutes, the Spanish military authorities were unable to take countermeasures in time.

In order to insure that Etappe Japan is being properly informed of new developments, the Naval Staff wires the Naval Attache in Tokyo to be

15 Jan. 1942

CONFIDENTIAL

sure to keep a decoded copy of all radiograms to blockade-runners and telegrams to the Naval Staff for his own information, and to check back in case he fails to receive an answer. (See Radiogram 1717.)

The blockade-runner SPREEWALD receives sailing directions via Radiogram 1719.

Information on the enemy situation to all concerned via Radiograms 1901 and 2334.

In order to avoid an incident with German submarines, the Naval Staff instructs the Italian Navy to order the blockade-runner CORTELLAZZA, which was located at 12° N, 39° W on 13 Jan. and supposed to take a course toward Cape Finisterre from 23 Jan. on, to be at 42° N, 37° W on 20 Jan., at 42° 30' N, 18° W on 23 Jan. and to avoid the alternate point at 35° N, 22° W.

The Naval Staff informs Group West and the Commanding Admiral, Submarines of the above route and requests Group West to submit any change which may be desired in the route of the Italian vessel through the Group's area. Up to now the route from Finisterre was scheduled to run 6 miles out at sea along the Spanish coast to the border.

Special Items:

Although all captains of auxiliary cruisers have repeatedly proven their ability by personal bravery and meritorious leadership, the Naval Staff proposes that at this time only the former captain of ship "10", Captain Kaehler, be decorated with the German Cross in gold. Notwithstanding the fact that the achievements of this officer do not equal those of the other two captains who have been decorated with the Oak Leaf Cluster, they do exceed the successes of the other captains who were decorated with the Knight's Cross. In the captain's citation the Naval Staff enumerates the successful engagements of the auxiliary cruiser with the far superior auxiliary cruisers ALCANTARA and CARNARVON CASTLE, the sinking of the auxiliary cruiser VOLTAIRE and 74,000 GRT of merchant shipping, as well as the seizure of a valuable prize. The Naval Staff asks the Officer Personnel Division to see that the German Cross be awarded to Knight's Cross bearers serving in foreign waters without discrimination in favor of those serving in other theaters of operation.

II. Situation West Area

1. Enemy Situation:

In St. George's Channel air reconnaissance spotted an east-bound patrol boat with a submarine in tow. The French Navy reports that certain activities which usually precede the arrival of important convoys appear to be taking place in Gibraltar.

2. Own Situation:

Atlantic Coast:

Group West gives the DOGGERBANK the code signal for her departure on 17 Jan.

15 Jan. 1942

CONFIDENTIAL

Ship "10" will depart on schedule. The Naval Staff assumes that the auxiliary cruiser will leave Bordeaux during the night of 15 Jan.

The Naval Attache in Madrid reports that salvage work on the tanker BENNO had to be abandoned because of prevailing bad weather conditions. The ship sprung several more leaks and must therefore be assumed a total loss. (See Telegram 1111.)

The Naval Attache, Madrid reports that after the Minister of Commerce had conferred with Franco about the possibility of transporting the entire cargo of the ELSA ESSBERGER by rail he informed the attache that the project cannot be undertaken in view of the enormous volume, prior commitments, British reprisals, and transport difficulties. Only small amounts of high priority material, also camouflaged contraband, can be shipped by rail. The Minister of Commerce proposes that German vessels transfer the cargo from Ferrol in several lots. The Naval Attache considers it difficult to pick high priority materials from the cargo and thinks that it would be risky for German ships to call for goods. Pending permission from the Minister of Commerce the Navy Minister has agreed to provide a Spanish escort up to Bilbao, from where the ELSA ESSBERGER would have to proceed under German protection. (See Telegram 1415.)

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

In the afternoon air reconnaissance spotted a particularly large northbound convoy of 63 steamers escorted by 1 anti-aircraft cruiser and 10 destroyers near Flamborough Head. In the morning a convoy of 31 steamers escorted by from 4 to 6 destroyers was located off the Humber estuary, and another convoy of 50 steamers heading south was spotted there during the afternoon.

Own Situation:

Operation "Polarnacht" is proceeding according to plan without incidents. In connection with this operation mine-exploding vessel "17" swept a ground mine 35 miles west of Heligoland.

Strong enemy formations flew over the north German coastal area during the evening. Emden bore the brunt of the attack. Considerable damage was caused in the shipyards. Detailed reports have not yet been received. 3 enemy planes were shot down.

On 14 Jan. Group North requested the Naval Staff's permission to have the 1st, 4th, and 5th Mine Sweeper Flotillas lay a mine field in the Hoofden (in quadrants AN 8277 and 8462) during their transfer to the west, and asked to be allotted 360 standard mines type C for this operation.

The Naval Staff is taking steps to have the Naval Ordnance Division, Underwater Obstacles Branch allocate the materiel.

Group West raises the following objections to the above plan:

1. PT boats must be absolutely prohibited from crossing our mine fields because some mines might fail to remain at their adjusted depth.

2. The PT boat route from the Hook of Holland and IJmuiden would cross the mine barrier. The projected gap in the barrage would not make PT boat navigation sufficiently safe.

3. The Group proposes laying the barrier at a depth of 3 meters from quadrant 8196 lower right to quadrant 8436 lower right, and to leave a 20 mile gap between the two sections.

4. The mine operation would delay the arrival of the mine sweeper flotillas considerably, a fact which interferes with the Group's plans.

The Naval Staff endorses the project but insists that the proposals of Group West be taken into consideration. The mine field should be laid so as to interfere as little as possible with our freedom of movement. The Naval Staff recommends that the mine field be laid in quadrant 8436 lower left (instead of lower right). This change will make it unnecessary for our PT boats to cross the barrier and therefore the mines are to be adjusted to a depth of 2 meters.

2. Norway:

Enemy Situation:

Radio intelligence located several British vessels in the sector east to northeast of Hammerfest. Enemy air reconnaissance reported German patrol boats and steamers in the Nord Fjord and off Lindesnes. Our air reconnaissance reports that Gorlo Strait may be navigated with the aid of icebreakers. 7 merchant ships are icebound west of the navigational channel from Podborye to Archangel.

Own Situation:

Submarine U "585" left for a mission in Kola Bay. The submarine chase continues in the area north of Vardoe where the TUERKHEIM had been attacked (see War Diary 14 Jan.). A conspicuous, ever recurring oil spot has been observed. The steamer MIMONA is probably a complete loss.

Group North submits the following statistics concerning convoy service in the area of the Commanding Admiral, Norway during 1941:

1. In the area of Admiral, Arctic Coast: 1,008 ships totalling 3,214,498 GRT.

2. In the area of Admiral, North Norwegian Coast: 1,057 ships totalling 3,143,583 GRT.

3. In the area of Admiral, West Norwegian Coast: 2,024 ships totalling 5,480,646 GRT.

4. Naval Shore Commander, Oslo Fjord: 5 ships totalling 15,696 GRT.

The number of unescorted vessels and their tonnage is not included in these figures.

The grand total of these figures would not give an accurate overall picture because most the convoys entered several or all of the mentioned areas.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

About noon, enemy air reconnaissance spotted 5 northbound German submarines en route through the Kattegat. The Commanding Admiral, Defenses, Baltic Sea expects therefore that the enemy will mine the Laesoe navigational channel during the night. As a precaution he is arranging an appropriate detour.

The Commanding Admiral, Baltic Countries reports via Group North that all available vehicles of the truck companies in Libau and Riga have been pressed into service to speed up the transport of reinforcements to the Northern Army Group as per directive of the Armed Forces High Command, Operations Staff to the Commanding General, Armed Forces, Baltic Countries. (See Telegram 2256.)

V. Submarine Warfare

1. Enemy Situation:

Radio intelligence located a British vessel about 300 miles south of Reykjavik, and intercepted several reports of ship disasters in Iceland and the Hebrides areas which were due to bad weather.

An intercepted report from Annapolis stated that a plane sighted a surfaced submarine about 30 miles southeast of the eastern point of Long Island. The report was cancelled at a later time.

2. Own Situation:

Submarine U "552" reported having torpedoed the steamer DAY-ROSE (see War Diary 14 Jan.). Our submarines maintained contact with the Gibraltar convoy until 1350, but lost it due to strong defense measures and bad weather conditions. 2 German submarines attacked the convoy off Marsa Matruh and scored 3 hits. The escort forces prevented further observation of effect. Supplementary situation report in War Diary, Part B, Vol. IV.

The Naval Staff cannot comply with the request of the Italian Naval Staff for materials to convert the motor ship HIMALAYA, which is at present in Bordeaux, into an auxiliary cruiser and submarine supply ship. The situation is so tense at present that the German Navy cannot spare large amounts of material. A similar request from the Commanding Admiral, Submarines concerning conversion of the prize ship BULLAREN also had to be turned down in view of material shortages. After our unfavorable experiences with submarine supply ships in the Atlantic it seems that a reconversion of vessels for this purpose is no longer justifiable from a tactical point of view. The Naval Attache in Rome receives instructions, with copy to the German Naval Command, Italy, to notify the Italian Naval Command of this decision in an appropriate manner and to express the Navy's regrets that in

this case it cannot reciprocate the cooperation which the Italian Navy gave us during the construction of the submarine bases in La Spezia and Pola. In this connection the Italian Naval Staff is to be asked to leave the Bordeaux shipyard in its present condition when the Italians evacuate it, and to put all Italian material and installations there at the disposal of German forces.

VI. Aerial Warfare

1. British Isles and Vicinity:

The large convoy of 63 steamers which had been sighted in the afternoon off Flamborough Head was attacked during the evening in the latitude of Whitby by our armed reconnaissance planes. Reports about the success of the attack have not yet been received. The convoy of 50 steamers which was sighted off the Humber estuary was attacked at 1700 without success. During night operations on 14 Jan. 14 of 21 planes assigned for this purpose laid mines in the Thames River. On 15 Jan. night operations against the convoy were less successful because of its strong defenses and the clear night. Enemy air raids concentrated on Emden. For details see North Sea, Enemy Situation.

2. Mediterranean Theater:

Nothing to report.

3. Eastern Front:

All available forces were concentrated on the Central Army Group sector and the southern wing of the Northern Army Group. Some units of the 225th Infantry Division which had landed in Riga were flown to the Central Army Group sector by 60 Ju 52's.

During operations in the Black Sea on 14 Jan. 2 transports and 1 steamer were heavily damaged off Sevastopol and between Feodosiya and Kerch. 7 planes, equipped with 2 bomb mines type 1000 each, raided Sevastopol and Feodosiya. 2 steamers were damaged in Kerch.

An icebreaker, presumably of the STALIN class, was damaged by a direct hit off the southern coast of the Kola Peninsula.

VII. Warfare in the Mediterranean

1. Enemy Situation:

At noon of 14 Jan. 2 destroyers and 1 merchant ship were lying in Benghazi and 2 destroyers were entering the harbor. In the morning of 15 Jan. German air reconnaissance spotted 1 destroyer and 4 merchant vessels escorted by 6 planes 50 miles off Benghazi. Otherwise nothing to report.

2. Situation Italy:

On 14 Jan. at noon an enemy submarine unsuccessfully fired at

the cruiser LUIGI DI SAVOIA DUCA DEGLI ABRUZZI west of Cape Vaticano. The cruiser was en route to La Spezia, escorted by torpedo boats.

3. Transport of Supplies to North Africa:

Nothing to report concerning inter-coastal shipping between Tripoli and Buerat el Hsun. Operations are proceeding according to plan.

4. Area Naval Group South:

Aegean Sea:

On 14 Jan. a patrol boat hit a mine off the Gulf of Suda and sank. Other mines were sighted anchored at 75 to 90 meter depth. On 13 Jan. the first 100 meters of the anti-torpedo net outside of Candia had been installed. About 8 days will be required for the entire operation. The departure of the "Siena" squadron was postponed for 24 hours because one of the escort torpedo boats developed engine trouble.

Black Sea:

Situation generally unchanged.

The former Naval Attache to Moscow, Captain von Baumbach, wrote a report on his trip to the Black Sea ports and the Crimea in November and December 1941. Text of the report as per l/Skl 1201/42 Gkdos. in War Diary Files "Barbarossa".

VIII. Situation East Asia:

No important reports were received.

IX. Army Situation

1. Russian Front:

Southern Army Group:

At the 11th Army sector our attack against stubborn enemy defenses developed well along the entire front. Our troops had reached the Sukanovka-Arabat line in the afternoon. The situation at the 1st Panzer Army and 17th Army sectors remained generally unchanged. At the 6th Army sector Group Neuling reached Yekaterinovka and Chere-moshnoye. The enemy still holds the Rzhava railroad station.

Central Army Group:

Fighting continued with varying success along the entire vast front from Byelev to Kaluga. The front line has developed the shape of a bay which points in westerly direction. To the north, the enemy poured reinforcements into the gap near Rzhev where he had penetrated our lines. Our forces were able to repulse an enemy attack in that area.

15 Jan. 1942

CONFIDENTIAL

Northern Army Group:

The railroad from Staraya Russa to the northwest remained in our possession. On the Volkhov front the enemy launched several attacks. Some of them succeeded in penetrating our lines to a minor extent. Our troops will be able to close these gaps.

2. Finnish and Norwegian Front:

Reports have not been received.

3. North Africa:

The situation remained generally unchanged. The enemy is apparently moving up supplies. The Halfaya group cannot hold out much longer. Incessant attacks and insufficient supplies have greatly reduced our forces.

16 Jan. 1942

Items of Political Importance

France:

A report from diplomatic quarters states that the list of the 43 retired generals will not be published for the time being because 85 more generals are said to be considered for retirement.

Great Britain:

The Commander in Chief of the Middle East was put in command of all forces in Iraq and Iran. A report from a neutral diplomatic source states that the Australians are afraid that the selfishness of the U.S.A. and China will result in their being forgotten despite the very serious Japanese threat to Australia's safety. For this reason they insist that Australia be admitted to the War Council. The British public is seriously dissatisfied with the way in which the campaign in Malaya is being conducted. However, the diplomatic reports which take notice of this dissatisfaction also warn against overestimating its effect. They state that there is absolute confidence concerning Britain's chances in the long run despite the fact that there is occasional criticism.

Spain:

Upon Foreign Minister Suner's personal initiative the official newspaper of the Falange, "Arriba", published an article which takes very strong exception to the recent vogue of rumor mongering. The article contends that this practice renders Spain's foreign policy useless and instills a feeling of insecurity into the people.

The German Embassy reports that British quarters are extremely irritated by the fact that despite their intensive propaganda campaign for which they spent huge sums of money they succeeded neither in having Suner dismissed nor in bringing about the formation of a more pro-British government of military men before the beginning of the Rio conference. The anti-Salazar movement in Portugal is working toward a similar goal.

U.S.S.R.:

According to a report from a Bulgarian diplomatic source in Russia, everything possible is being done to fill the needs of the front while the hinterland is being plagued by considerable shortages. The report states that discipline is severe in the Red Army and that the morale of the troops is high. The Russian soldier is said to fight for the preservation of his country rather than for the ideas of the Third International or the World Revolution.

U.S.A.:

Roosevelt delegated dictatorial powers to Donald Nelson for his job as Chairman of the War Production Board.

South America:

On 15 Jan. Sumner Welles opened the Rio conference with a speech in

16 Jan. 1942

CONFIDENTIAL

which he appealed for solidarity among the countries of America as the only means of saving the continent from Hitler's and Japan's schemes for dominating the world. He said that there will be no peace in the world until Prussian and Japanese militarism have been stamped out.

South Africa:

The Dutch are waging a determined fight against compulsory military service, a measure which has become necessary in order to replace the losses in Libya. They are unwilling to fight for either their Government in Exile or for Britain, and contend that Wilhelmina and her group are not a lawful government because the Constitution forbids that the seat of government be moved to a foreign country. The Supreme Court in Pretoria concurred in this opinion and ruled that Smuts and the Dutch Minister must for the time being abstain from conscripting Dutch nationals.

China:

The recent Japanese successes are said to have deflated the fighting spirit of the Chungking Government to a considerable extent. However, diplomatic reports warn not to count on a collapse of the Chinese front within the near future.

Special Items:

The Commander, Destroyers reports that 7 destroyers of the 5th and 8th Destroyer Flotillas are available for duty as of 15 Jan.

8 destroyers will be ready on 25 Jan. and 9 destroyers from 28 Jan. on. The next 2 destroyers will not become available until the beginning of March. It is expected that repairs on 4 destroyers will be completed during March. 1 destroyer will join her unit by the end of April and another by the end of May. The time required for completing repairs on 1 other destroyer has not yet been determined. (Total number: 18.) (See Telegram 2230 of 15 Jan.)

The Commanding Admiral, Battleships reports that the directive of the Naval Staff concerning the assignment of escort forces (see War Diary 15 Jan.) does not show how many vessels he may expect, and he requests that the destroyers which have been assigned to the Arctic Ocean also be made available for operation "Torero".

However, the Naval Staff determines to leave the 3 destroyers of the 8th Destroyer Flotilla in Norway, so that they remain available for the TIRPITZ operation. The Naval Staff informs the Commanding Admiral, Battleships accordingly and points out that operation "Mandarine" might be supported to a considerable extent by a simultaneous operation of the TIRPITZ. The following 7 or 8 destroyers will presumably be available for operation "Torero": BEITZEN, JACOBI, HEINEMANN, SCHOEMANN, IHN, Z "29", Z "30", and possibly Z "28", as well as 11 torpedo boats (6 of the 2nd Torpedo Boat Flotilla and 5 of the 3rd Torpedo Boat Flotilla). They will be joined by 3 vessels of the 5th Torpedo Boat Flotilla.

Copies of corresponding telegrams as per 1/Sk1 I op 117/42 Gkdos. Chfs. in War Diary Files "Mandarine".

Situation 16 Jan. 1942I. War in Foreign Waters1. Enemy Situation:Special Items:

Radio Intelligence Report No. 2/42 published by the Radio Intelligence Section of the Naval Staff, Communications Division contains all enemy reports intercepted by radio decoding and radio intelligence.

North Atlantic:

A decoded radio message directs all U.S. merchant ships which had sailed from Gulf ports en route to ports north of New York prior to 14 Jan. to stand by on the southwest coast of Florida for further instructions. Coastwise steamers en route to harbors north of New York are being advised to sail close to the coast on a course to Cape Hatteras. The U.S. Navy Department announced that the naval and air base on Isla Grande near Puerto Rico has been completed.

South Atlantic:

The auxiliary cruiser CILICEA, which is equipped with a catapult and eight 15 cm. guns, left Rio on 14 Jan. According to an attache report from Valparaiso a heavy cruiser and a cruiser of the NEWCASTLE class have arrived in Punta Arenas. These vessels are probably operating from this base for the protection of the whaling fleet.

Pacific Ocean:

The attache in Valparaiso reports that on 11 Jan. 7 south-bound warships were sighted off the coast of Arica.

2. Own Situation:

The Naval Staff informs ship "10" by Radiograms 1935 and 2212 of the position of the Italian blockade-runners CORTELLAZZO and PIETRO ORSEOLO, as well as the position of our own blockade-runners SPREEWALD and OSORNO.

At approximately 2300 ship "10" reports that weather conditions are forcing her to interrupt her mission. The report states that the ship intends to reach quadrant BF 99 during the morning of 17 Jan., that the enemy situation is considered to be favorable, and that she will proceed on her mission as soon as possible. (See Radiogram 2330.)

The Naval Staff presumes that the bad weather reduces the ship's speed to such an extent that the crossing of the danger zone becomes unnecessarily prolonged.

The Secret Intelligence Section of the Armed Forces High Command believes that signs indicating a planned invasion of Tangier are becoming so numerous that they deserve attention. Reports have it that on 18 Jan. U.S. troops are scheduled to land simultaneously in Ifni. The

Naval Staff transmits this information to the German Naval Command, Italy, with copy to the Naval Attaches in Madrid, Lisbon, and Rome, with the comment that it deserves special attention in view of the great expense which the Anglo-Americans are incurring in their propaganda campaign to oust Suner before the beginning of the Rio conference. However, the Naval Staff is inclined to believe that these are rumors or plans which have been outdated by present conditions. The Naval Staff also reports that news has been received that a considerable number of troops (7 to 9 divisions) have been shipped from Great Britain to the south since the middle of December. (See Telegram 1212.)

It is quite probable that the enemy is planning a landing in Tangier and other places so long as the military situation in North Africa holds promise for a successful campaign against Tripoli. Although this danger is not acute at present, it could become so again as soon as the enemy has gathered enough forces to allow him to follow through with his plans.

II. Situation West Area

1. Enemy Situation:

At noon air reconnaissance located an eastbound convoy of 8 steamers and 5 patrol vessels near Land's End. No ships except fishing craft were spotted along the southern coast of Ireland.

2. Own Situation:

Atlantic Coast:

Group West plans to dispatch ship "10" again in the evening of 17 Jan., but cancelled the sailing orders for the DOGGERBANK.

Channel Coast:

3 ground mines were swept between Fecamp and Dieppe.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio intelligence reports that the trawler IRWANA sank in the Yarmouth area. Radio intelligence also intercepted broadcasts from Dover which continuously gave the positions of a westbound German convoy.

Own Situation:

The TIRPITZ has been transferred to Trondheim without particular incidents.

16 Jan. 1942

CONFIDENTIAL

As a result of the air raids on Emden during the evening of 15 Jan., submarine construction will be interrupted for 4 days in the Nordseewerke. A bucket dredge was sunk and a pump carrier was burned out. A floating dock was damaged. The power supply of the Staatswerft was interrupted. 1 dock of the Schulte & Bruns Shipyard collapsed and the ship SIMSON sank. The freight yard was badly damaged. The streetcar depot was destroyed. For detailed reports see Telegrams 0755, 0920, and 1550. Otherwise nothing to report.

As concerns the projected mine field in the Hoofden area, Group North considers the Naval Staff's proposal to shift the end of the barrier to the lower left of quadrant 8436 unfavorable. Group North is of the opinion that this arrangement would not cover the remaining gap to a sufficient extent. The Group proposes therefore to lay a mine field in 3 sections, leaving a 20 mile gap as demanded by Group West. These sections are to be laid as follows: From 52° 51.8' N, 3° 21.2' E to 52° 47' N, 3° 26.6' E; from 52° 44.3' N, 3° 25.5' E to 52° 41' N, 3° 30.6' E; from 52° 38.4' N, 3° 28.6' E to 52° 34' N, 3° 31.2' E. In this mine field the southern flank would be located about 5 miles farther east than it would in the one recommended by the Naval Staff. Group North is of the opinion that the fact that the area off the Dutch coast will be narrower as a result is insignificant compared to the advantage of protecting a larger sea area. The Group is also against adjusting the mines to a depth of 2 meters since permanent mines are to be laid and requests that they be adjusted to 3 meters as was originally planned.

The Naval Staff decides that the exact position of the mine field and the depth adjustment of the mines themselves will have to be arranged directly with Group West and the Commander, Torpedo Boats in a way which will interfere least with our operations and will permit navigation toward Brown Ridge buoy.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

Weather conditions forced the 8th PT Boat Flotilla to interrupt its raid into the Gulf of Motovski. The steamer GANTER which carries a cargo of Christmas supplies was able to free herself with only minor damage and is proceeding north. On 15 Jan. enemy planes were observed near Maloe, Lindesnes, and Stavanger. Minor enemy air raids on Vardoe, Petsamo, and Kirkenes caused no damage.

The Commanding Admiral, Norway requests the endorsement of Group North to the plan of laying a mine field near Selboe for the defense of Bergen. Such a mine field will make it impossible to use Selboe as a point of approach. (See Telegram 1840.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

Group North requests the 1st Air Force to furnish fighter protection for the Riga-Libau area where a number of steamers and the SCHLESWIG-

16 Jan. 1942

CONFIDENTIAL

HOLSTEIN are icebound and exposed to possible enemy air raids.

Army authorities seem to be very much interested in having the Navy occupy the inner coastal islands in the Gulf of Finland once they have been captured by army troops. Since the occupation of these islands is of decisive importance for the Navy's operation plans the Commanding Admiral, Baltic Countries submits detailed proposals for their occupation by naval assault units and for the installation of artillery.

Copy of the proposal as per 1/Skl 1281/42 in War Diary, Part C, Vol. III.

V. Merchant Shipping:

The figures for the merchant ship construction program which Roosevelt mentioned in his address to Congress on 6 Jan. reveal that the production goal for new merchant ships to be built in the U.S. during 1942 has been raised by about 1,500,000 GRT and that for 1943 by about 2,500,000 GRT. The yearly totals of 5,600,000 GRT to 6,000,000 GRT and 7,000,000 GRT to 7,500,000 GRT respectively mentioned by Roosevelt are the result of this accelerated production schedule. Brief Report No. 2/42 published by the Naval Intelligence Division, Foreign Merchant Marine Branch contains a more detailed analysis of the above as well as reports about British coal shipments to Argentina, the 1/3 decrease in foreign ships calling at Lisbon, Turkish vessels sailing for British interests, the Turkish Government's seizure of 3 ships belonging to a Jewish shipping company, whaling during the 1941/42 season, etc.

VI. Submarine Warfare

1. Enemy Situation:

Radio intelligence reports the following: The British steamer CAPE VERDE reported a submarine about 80 miles north-northwest of Rockall Bank. A warning was issued for the area. The British passenger ship LLANGIBBY CASTLE (11,951 GRT) was attacked by bombers about 500 miles northwest of Finisterre. (The Air Command, Atlantic Coast reports that the ship belonged to a westbound convoy of 24 steamers. The attack was unsuccessful.)

3 tankers left Reykjavik bound for Moray Firth; 10 transports and 1 anti-aircraft cruiser left for the east coast of the British Isles. The following messages were intercepted from the western Atlantic: A westbound submarine was sighted off Halifax; the British steamer MAPAQU was torpedoed 10 miles off St. Johns; a wreck is drifting south of Block Island; an attack was ordered on a submarine sighted in that area.

According to reports from London, 2 U.S. subchaser flotillas and navy planes are searching for the submarine which sank the U. S. tanker NORNESS (9,577 GRT).

2. Own Situation:

The submarines which are stalking the Gibraltar convoy received orders to discontinue that mission and to return to their assigned operation areas. A submarine sighted and attacked a section of the widely dispersed convoy which had been reported by the long-range reconnaissance planes of the Air Commander, Atlantic Coast in quadrant BE 81. (500 miles from Finisterre. See Enemy Situation.) The submarine reported having scored 2 hits. 3 additional submarines were sent after the convoy.

Supplementary situation report in War Diary, Part B, Vol. IV.

The Naval Staff agrees with the estimate of the situation of the Commanding Admiral, Submarines and approves his operations plans (see War Diary 11 Jan.). The Naval Staff also counts on a considerable amount of enemy shipping in the vicinity of Bermuda and is of the opinion that a shift of the convoy assembly areas from Halifax and Sydney to U.S. ports is not likely for the time being. Aside from the area southeast of Newfoundland which is the center of convoy movements, the Naval Staff is of the opinion that in the waters between Trinidad and Halifax individual, unescorted vessels are to be found most frequently in the following areas (listed in order of density of estimated ship movements): Off New York, between Halifax and Sydney, in the Mona Passage, in the vicinity of Trinidad, off Norfolk, in the vicinity of Bermuda, in the Florida Strait, and in the vicinity of Aruba.

The Naval Staff informs the Commanding Admiral, Submarines accordingly via telegram. Copy of telegram as per 1/Skl I u 108/42 Gkdos. Chfs. in War Diary, Part C, Vol. IV.

The Naval Staff believes that the present enemy situation in the Mediterranean permits transferring some of the submarines which are stationed east of Gibraltar to the eastern Mediterranean. Therefore, the German Naval Command, Italy is being directed to take charge until further notice of all submarines which are newly arriving in the Mediterranean, and to assign them to whatever operations zone it considers appropriate. A copy of the directive is being forwarded to the Commanding Admiral, Submarines.

Copy of corresponding telegram as per 1/Skl I u 115/42 Gkdos. Chfs. in War Diary, Part C, Vol. XIV.

VII. Aerial Warfare

1. British Isles and Vicinity:

During the morning armed reconnaissance planes sank 1 steamer off Yarmouth. Long-range reconnaissance of the Air Commander, Atlantic Coast located a convoy in quadrant BE 81. For details see Enemy Situation, Submarine Warfare.

An air raid alarm in Berlin this noon was attributed to a navigational error by one of our planes.

2. Mediterranean Theater:

No special reports.

3. Eastern Front:

Considerable bomber and dive-bomber operations over the Central Army Group area and the Crimea. Lively German reconnaissance activity along the Russian Black Sea coast. For observations see Enemy Situation, Black Sea.

VIII. Warfare in the Mediterranean1. Enemy Situation:

Air reconnaissance reports normal supply and escort movements between Alexandria and the Cyrenaica coast. The number of ships in port remained generally unchanged.

2. Own Situation:

During the night of 15 Jan. German submarines were operating against a convoy from Alexandria to Benghazi which had previously been announced by the intelligence service and which our reconnaissance planes had probably located at noon of 15 Jan. 2 of 3 submarines attacked at midnight off Ras Azzaz and reported 2 certain hits and 1 probable one. The escort forces prevented further observations. The German Naval Command, Italy is reporting this success to the commander of the Panzer Group, Africa (P.S. Gruppe) via the German General at Headquarters, Italian Armed Forces, as well as to other authorities. (See Telegram 1015 and also War Diary 15 Jan., Submarine Warfare.)

3. Situation Italy:

On the evening of 15 Jan. a naval barge sank near the harbor of Tripoli, presumably after striking a magnetic mine. Enemy air raids on Tripoli caused no military damage.

4. Transport of Supplies to North Africa:

On 16 Jan. 4 naval barges carrying 12 tanks are scheduled to leave Palermo for Tripoli. Otherwise nothing to report.

5. Area Naval Group South:Aegean Sea:Enemy Situation:

On the afternoon of 15 Jan. a submarine was sighted northeast of the Gulf of Suda.

Such operations of British submarines in the immediate vicinity of their own mine fields are remarkable. They point to high standards of seamanship.

Own Situation:

Up to now 25 mines have been located in the mine field off the Gulf of Suda. 6 of them have been disposed of. 3 men were killed and 11 seriously injured when patrol boat 11VI sank. The departure of the "Siena" group has again been postponed for 24 hours because of the mine situation.

Black Sea:Enemy Situation:

On the basis of identification marks found on a corpse which had been washed ashore, it can be assumed that the Russian submarine S "34" sank in one of the mine fields off Burgas in Nov. 1941.

Air reconnaissance and radio intelligence reveal a generally unchanged situation. For details see Telegram 2315.

According to intelligence reports about 5 steamers with ammunition and food have been arriving in Sevastopol every night since the end of December. A motorized chemical warfare battalion with 50 trucks and a small quantity of poison gas is said to be in Omega Bay. Reports allege that the Russians are not planning to use the gas because they are afraid of German gas warfare in retaliation.

Own Situation:

Nothing to report.

As concerns the acquisition of Turkish submarines proposed by the Armed Forces High Command (see War Diary 7 Jan.), the Naval Ordnance Division, Torpedo Branch submits an opinion identical to the one previously submitted by the Naval Staff, Submarine Division. It emphasizes that Turkish submarines which have been converted to conform to our requirements will not measure up to the standards set by the Commanding Admiral, Submarines, so that such a procedure could not even be considered a satisfactory emergency measure.

Copy of the above opinion as per 1/Sk1 1266/42 Gkdos. in War Diary, Part C, Vol. XIV.

Situation Turkey:

An Italian report states that a division of PT boats from the naval base at Smyrna is currently conducting training cruises in the Gulf of Smyrna.

IX. Situation East Asia1. Enemy Situation:

The U.S. Navy Department reports that a U.S. submarine sank a Japanese merchant ship of the YAWATA class (17,000 GRT).

2. Situation Japan:

Headquarters reports that on 15 Jan. Japanese submarines

16 Jan. 1942

CONFIDENTIAL

sank 4 enemy ships totalling 37,000 GRT in the vicinity of the Dutch East Indies, and that naval forces seized 3 smaller vessels. Another report states that Japanese naval vessels sank 2 enemy submarines in the Pacific. On 14 Jan. the Japanese Air Force sank 7 enemy ships off Malacca.

According to newspaper reports the Japanese have sunk a total of 108 enemy ships, of 360,000 GRT, since the outbreak of the war.

No reports have been received from the attaches.

X. Army Situation

1. Russian Front:

Southern Army Group:

1 Russian battalion landed in the Crimea near Sudak and advanced to Taratash. It was thrown back to the south. Enemy attacks outside Sevastopol were repulsed. Despite tenacious enemy resistance our offensive at the Feodosiya front advanced to the line Koktebel-Vladislavovka-Arabat. Enemy reinforcements are being brought up from the east.

The situation at the 1st Panzer Army and the 17th Army sectors remains unchanged. At the 6th Army sector our troops took Rzhava. Strong enemy forces are advancing northwestward up the Seim River valley.

Central Army Group:

Enemy attacks along the great arc from Byelev to Kaluga were repulsed. A German thrust toward Sukhinichi gained some ground. East of Spas Demensk our troops repulsed an enemy attempt to reach the highway. A Russian frontal attack from the Ugra valley up to Medyn was repulsed. Northwest of Borovsk the enemy succeeded in breaking through our lines and advancing as far as Vereya. West of Mozhaisk and west of Volokolamsk enemy forces succeeded in breaking through our lines. The LVI and XLI Army Corps withdrew to new positions which are under relentless enemy pressure. Russian attacks near Staritsa were repulsed. West of Rzhev strong enemy attacks are in progress against the railroad Rzhev-Sichevka, which are being met by counterattacks. At the left wing of the Army Group the enemy advanced as far as Dubno. German forces there retreated to Toropets.

Northern Army Group:

German forces are attempting to stop enemy advances on Kholm and an encirclement of Staraya Russa. The latter town is under enemy artillery fire. German troops are being brought up to the Volkhov front in order to prevent the enemy from enlarging the gaps in our lines.

2. Finnish and Norwegian Front:

The situation remains unchanged.

16 Jan. 1942

CONFIDENTIAL

At 0000 14 Jan. the Commanding General, Lapland took charge of the duties of the Commanding General, Norwegian Theater.

3. North Africa:

According to an unconfirmed report, enemy troops in Cyrenaica have been considerably reinforced from Egypt since the end of December. Only minor ground reconnaissance activity on the El Agheila front. A sandstorm prevented air reconnaissance. More wells were destroyed at the Halfaya sector. Supply shipments by air are to be increased.

17 Jan. 1942.

Items of Political Importance

Great Britain:

Ambassador Cripps has resigned from his post in Moscow. His successor will be the present Ambassador to Chungking, Archibald Clark-Kerr. General Sir Allen Hartly was appointed Commander in Chief for India.

Tass reports from London that British and Russian labor unions held a joint conference. See Political Review No. 14, Paragraph 1c for details about this highly significant event.

British newspapers are printing articles in which certain cabinet changes are being discussed which are said to be planned after Churchill's return from the U.S.A.

Spain:

The High Commissioner of Tangier condemned the recent bombing of the "German House" in the sharpest terms and promised that the incident will be thoroughly investigated. The authorities arrested a great number of British agents because they are convinced that the plot was engineered by the British.

Portugal:

The Council of State and the Cabinet unanimously nominated General Carmona as candidate for re-election to the Presidency.

It may be presumed that Britain's reply concerning the Timor affair will emphasize that the British Government was in no way involved in the landings of Dutch and Australian troops.

Finland:

The German Legation reports that the Foreign Ministry has informed all Finnish diplomatic representatives abroad by telegram that current rumors about negotiations for a separate peace and a withdrawal of German troops from Finland are unfounded.

U.S.S.R.:

A report from diplomatic quarters states that the Jesuits have opened a chapter in Moscow. Vatican circles are pointing out that the authorities do not interfere with the rebirth of the religious spirit in Russia. They emphasize that those Russians who have remained true to the church are supporting Stalin not for the sake of Bolshevism but because he is leading the patriotic struggle for the reconquest of their country.

This report exemplifies the shrewdness of Vatican diplomacy which undoubtedly is also being reflected in the attitude of the Irish population of the U.S. In the latter case the Vatican's influence is obviously detrimental to German interests. (Support of Roosevelt, which in turn has its repercussions in the mother country with respect to the acquisition of bases in Eire.)

South America:

At the Rio conference the Colombian delegate, who also spoke on behalf of the governments of Mexico and Venezuela, proposed that all American Republics sever diplomatic relations with the Axis powers. According to a newspaper dispatch the Dominican Government is said to have withdrawn its proposal for a joint declaration of war on the Axis powers in order to facilitate further understanding. For reports concerning the attitudes of other countries at the Rio conference see Political Review No. 14, Paragraph 7b.

The consensus of opinion indicates that the resolution calling for a break in diplomatic relations will in the end be adopted unanimously.

Brazil:

The Government issued a decree which calls for the confiscation of all private planes and ground installations in Brazil. The Italian Government has lodged a protest.

Japan:

The authoritative newspaper "Japan Times" is rejecting Anglo-American allegations that this war is fundamentally a struggle between the white and the colored races. The paper observes that this idea has its origin in the old European imperialist school and was a device which Wilhelm II used to create a solid German-French-British front in East Asia. The newspaper states that this device is now being employed by the Anglo-Americans who are trying to use it as a cover for their particular brand of policy in Asia.

China:

The spokesman of the Chungking Government strongly protested against what is said to be the decision of the Allies, according to which they will concentrate most of their efforts on bringing the war in Europe to a successful conclusion while the war in the Pacific is being considered of secondary importance. He maintained that the defense of Singapore and the Dutch East Indies is to be considered the most important as well as the most vital task of the moment.

Special Items:

I. The Commander in Chief, Navy submits a report to the Fuehrer concerning the Italo-German naval conferences which took place in Garmisch on 14 and 15 Jan. He states that both parties reached a full accord concerning their respective estimates of the strategic and military situation in the Mediterranean, and that an agreement was also reached on most points concerning future operations. The Commander in Chief, Navy points out that the principal problem discussed at the conferences was that of oil supplies for the German and Italian navies. He states that its only solution lies in an immediate and substantial increase in oil shipments from Rumania. The Commander in Chief, Navy reports that the conclusion reached at the conferences was that the German and Italian navies cannot solve their tasks unless a satisfactory solution is found to the fuel oil problem. He requests that the pertinent political authorities take immediate

17 Jan. 1942

CONFIDENTIAL

steps to assure the 2 navies the necessary amount of Rumanian oil. A copy of the report has been forwarded to the Armed Forces High Command, Operations Staff.

A copy of the above report which analyzes the situation in detail in view of the urgent nature of the problem involved may be found in War Diary, Part C, Vol. XIV as per 1/Skl Ib 119/42 Gkdos. Chefs.

II. The Chief, Naval Ordnance Division advises the Naval Staff and the Naval Staff, Quartermaster Division about a report from the Todt Organization according to which the latter will not be able to keep the road which leads from Kvalsund to the Kemi-Petsamo highway open during the winter as it had previously promised because there is not enough labor available (the quota of Russian prisoners of war has fallen below requirements). The Naval Staff, Operations Division will notify the Commanding Admiral, Norway accordingly.

III. Subject: ELSA ESSBERGER. The Naval Staff, Operations Division requested the Chief, Naval Staff to decide whether high priority goods aboard the ELSA ESSBERGER are to be forwarded from Ferrol via rail (see War Diary 15 Jan.), or whether the vessel is to be transferred to Bilbao under escort of Spanish naval vessels in order to proceed from there to a French port. The Chief, Naval Staff decides as follows: Every conceivable precaution must be taken to insure that the valuable cargo of the ELSA ESSBERGER will be delivered to Germany's industry. For that reason we cannot risk losing the whole ship. The cargo is to be divided into lots which will be shipped to France aboard small ships.

Situation 17 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

Radio intelligence reports that 5 U.S. vessels were located between Iceland and Newfoundland. A submarine is said to have sunk a ship near Haiti.

Pacific Ocean:

The battleship MARYLAND is off the west coast of North America. On 5 Jan. the carrier YORKTOWN was in the vicinity of Mare Island. The cruiser SAN FRANCISCO was in the vicinity of Hawaii on 7 Jan.

2. Own Situation:

Bulletins on the enemy situation to all concerned in Radiograms 1237, 1943, and 2200.

II. Situation West Area1. Enemy Situation:

Nothing to report.

2. Own Situation:Atlantic Coast:

Group West reports that it will not be necessary to change the sailing instructions for the Italian steamer CORTELAZZO from Cape Finisterre (see War Diary 15 Jan.).

The Commanding Admiral, Battleships requests Group West to authorize the submarines in the North Atlantic to resume the reporting of weather conditions. He states that it is vital that this information be obtained now, so that plans for future operations may be drawn up. Weather conditions in the Bay of Biscay, in Brittany, and in the western part of the English Channel cannot possibly be forecast without it. Copies of this request were forwarded to the Naval Staff and the Commanding Admiral, Submarines. (See Telegram 1600.)

Channel Coast:

During the night of 16 Jan. enemy PT boats unsuccessfully attacked a German convoy entering Boulogne. Beginning at 1430, batteries of Group Belgium fired 184 rounds of 75 mm. to 170 mm. at located targets. Poor visibility prevented observation of effect.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

According to radio intelligence, the radar vessel ROYAL EAGLE requested to be taken in tow because her rudder had been damaged by a nearby mine explosion. Mine sweepers in the Thames area reported 10 mine explosions. Mine sweepers on the southeast coast reported that they were being attacked by planes.

Own Situation:

In response to the request of the Naval Staff, the Air Force High Command, Operation Staff directs the 5th Air Force to reconnoiter Scapa Flow and the Moray Firth simultaneously. For a copy of the directive see Telegram 1931.

Otherwise nothing to report.

2. Norway:Enemy Situation:

A German submarine sighted and attacked a westbound convoy of 5 steamers and escort vessels north of Cape Teriberski.

Own Situation:

Ship "31" ran aground near Krakenes. A total of 198 depth charges were dropped during the submarine chase in the area where the steamer TUERCKHEIM had been sunk. Locating instruments and other observations indicate that the submarine was at least severely damaged.

Otherwise nothing to report.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea1. Enemy Situation:

An intelligence report states that on 12 Jan. the Norwegian steamers GUDVANG and CHARENTE were all prepared to sail from the free port of Goeteborg.

2. Own Situation:

Nothing to report.

Group North points to this year's difficult ice conditions which were overcome with some degree of success only because the SCHLESWIG-HOLSTEIN, the SCHLESSEN, and the few available icebreakers could be put to use in the eastern area exclusively since the rest of the Baltic Sea remained free of ice. The Group states that the unpredictable volume of shipping which might have to be handled in the Baltic Sea and the Gulf of Finland next winter demands that the Navy be better prepared than it was this time. Group North is of the opinion that at least 12 freighters and tankers must be built which can be used as auxiliary icebreakers in the Baltic Sea if it is impossible to build regular icebreakers of the CASTOR type.

The Naval Staff, Quartermaster Division will take charge of the problem.

V. Submarine Warfare1. Enemy Situation:

Intercepted enemy messages state that submarines were sighted 100 miles north of the Rockall Bank and 100 miles northeast of Cape Race. U.S. radio stations repeatedly broadcast that a steamer is being pursued by a submarine near Haiti. Another radio intelligence report states that the ship was sunk later on. The Russian steamer KOLKHOZNIK (3,880 GRT) was reported to be sinking south of Halifax. The British Admiralty announces the loss of patrol vessel LADY SHIRLEY which had sunk submarine U "111" in Oct. 1941.

2. Own Situation:

A submarine operating in the North Atlantic reported that she sank 2 tankers totalling 15,200 GRT. The sinking of one of them, the CARDITA, has not yet been confirmed. According to radio decoding

17 Jan. 1942

CONFIDENTIAL

the CARDITA had hit a mine on 31 Dec. in 59° N, 12° 50' W, and was torpedoed a second time 2 hours later.

In the eastern Mediterranean a submarine sank a destroyer east of Sol-lum. Supplementary situation report in War Diary, Part B, Vol. IV.

The Spanish Government has lodged a protest because the ore steamer GRELHEAD which was sunk on 2 Dec. 1941 had allegedly been attacked within Spanish territorial waters. The Naval Staff therefore requests the Commanding Admiral, Submarines and the German Naval Command, Italy to supply information as to what basis there is for assuming that the steamer sunk by submarine U "562" on 4 Dec. 1941 was the ore steamer GRELHEAD. (See Telegram 1616.)

VI. Aerial Warfare

1. British Isles and Vicinity:

German reconnaissance activity during the day. During night operations along the east coast 1 steamer was probably sunk, 1 steamer damaged, and 1 steamer probably damaged. These ships were of between 1,500 GRT and 4,000 GRT. Torpedo bombers and bombers raided ships along the south and west coasts without success. Weather conditions prevented enemy planes from raiding Hamburg and Bremen in full force. Minor damage and losses in Emden and Hamburg.

2. Mediterranean Theater:

At 1700 torpedo bombers attacked an enemy naval force of 2 cruisers, 3 destroyers, and 2 merchant ships. No reports concerning the effect have as yet been received. A complete aerial survey of the sea area from 20° to 24° W lasting from 1000 to 1340 revealed no ship movements. (Tr.N.: Checked against Air Force situation report of 17 Jan.)

3. Eastern Front:

Intensive bomber and dive bomber operations against towns north of Feodosiya. Successful attacks on ships near Kerch and the supply lanes to the eastern Ukraine. At the Central Army Group sector 300 bombers, dive bombers, and fighters flew mainly low-level attacks against enemy troop columns in the areas of Sukhinichi, Rzhev, and Ochakov. At the Northern Army Group sector our planes attacked enemy troop columns and positions northeast of Novgorod, Staraya Lassa, and the Neva area.

On 16 Jan. 1 steamer of 600 GRT was sunk and 1 steamer of 2,000 GRT damaged near Feodosiya. 1 steamer of 600 GRT was damaged near Kerch.

VII. Warfare in the Mediterranean

1. Enemy Situation:

At 0930 German and Italian air reconnaissance spotted a westbound enemy naval force of 7 vessels north of Tobruk. This was

the same force which our torpedo bombers attacked in the afternoon (see Aerial Warfare).

2. Situation Italy:

The Vichy Telegraphic Service reports that Halfaya has surrendered to the British who made about 5,500 prisoners.

3. Transport of Supplies to North Africa:

Nothing to report.

The following amount of supplies was unloaded in Tripoli during Dec. 1941: A grand total of 26,552 tons of supplies for the Armed Forces, 5,733 tons of which were German goods. Cargo shipped aboard coastal vessels accounted for 6,490 tons of the above total. German goods in the latter shipments amounted to 3,953 tons.

7 vessels engaged in the Libyan coastwise traffic transported 3,873 tons of cargo during Dec. 1941.

4. Area Naval Group South:

Aegean Sea:

Enemy Situation:

At 0130 a submarine was sighted 30 miles north of Candia.

Own Situation:

The "Siena" group sailed for Suda at 1400. Its 3 steamers are carrying 1,150 German and 50 Italian soldiers, 520 vehicles, 639 tons of supplies and rations, and 24 tons of military mail.

According to a report from the Armed Forces High Command, Operations Staff, the Commanding General, Armed Forces, Southeast has reported that Crete is well equipped for defense against ground attacks but that anti-aircraft guns are the island's only reliable protection against air raids. Since the Commanding General, Armed Forces, Southeast has placed such stress on reinforcing the air defenses of Crete, the Armed Forces High Command orders that supply shipments for the X Air Corps are to be expedited to the extent that operations and supplies of air forces which are based on the island will be sufficient to insure its adequate defense. For the time being this task will have to be given the necessary priority over the transfer of the 164th Infantry Division.

The above order is being forwarded to Group South via Telegram 1919.

Black Sea:

Enemy Situation:

Very lively convoy traffic between Novorossisk-Sevastopol and Novorossisk-Kerch-Feodosiya. On 16 Jan. 2 far off Russian vessels shelled Eupatoria.

Own Situation:

1 Russian mine was swept near Tuzla.

17 Jan. 1942

CONFIDENTIAL

Concerning the purchase of Turkish submarines as suggested by the Armed Forces High Command (see War Diary 7 Jan.), the Naval Staff is of the opinion that such a procedure can be considered only as an emergency solution, particularly since there is no way of estimating the modifications necessary once the boats are in our possession. All but the 3 most modern Turkish submarines, the ATILAY, the YILDIRAY, and the SALDIRAY, are entirely unsuited for our purposes. As we know from experience, no foreign submarine can be considered ready for operation in the original state (foreign name plates and armament, time required for shakedown cruises, training of crews, etc.).

Having investigated the problem thoroughly, the Naval Staff arrived at the conclusion that incomparable advantages are to be gained from using German rather than Turkish submarines, and that only the former are to be used.

Turkey can allow German submarines to enter the Black Sea only by violating the Montreux convention or by disregarding her obligations as a neutral (in the event of a sale and resale of German submarines). Since the provisions of the Montreux convention are working to our advantage, inasmuch as they prevent British naval forces from entering the Black Sea and Russian forces from entering the Mediterranean, Germany is more interested in Turkey's adhering to the convention than in her breaking it. Therefore, the Naval Staff must insist that any agreement which might be reached with Turkey must preclude the possibility of any similar deals between her, Russia, and Great Britain, which would allow their vessels to pass the Dardanelles at an opportune time.

Copy of the corresponding telegram 1/Skl I u 1323 Gkdos. to the Naval Liaison Officer at the Armed Forces High Command, Operations Staff in War Diary, Part C, Vol. XIV.

VIII. Situation East Asia

1. Enemy Situation:

Daventry reports that U.S. submarines penetrated into Tokyo Bay and sank 3 merchant ships. The U.S. Navy Department reports that vessels of the East Asia Fleet sank 2 large enemy freighters and 1 medium size and 2 large transports. From Batavia comes a report of a Japanese air raid against Amboina and Balik Papan (Borneo) on 15 Jan. Coastal batteries in the Dutch East Indies sank 2 Japanese torpedo boats near the Tarakan Peninsula.

2. Situation Japan:

Headquarters reports the fifteenth air raid on Singapore and further attacks by the Japanese Naval Air Force on airfields at Johore and Baruh. In Burma, Japanese air raids were directed against Rangoon, Moulmain, and Tavoy.

The Military Attache in Bangkok reports that civilians have begun evacuating Malaya and Singapore and are going to India. The Japanese have absolute air superiority in the Sunda Archipelago. Enemy resistance on the Tarakan Peninsula ceased. Manado on Celebes was captured.

IX. Army Situation1. Russian Front:Southern Army Group:

Our attack on Feodosiya is progressing. No particular changes at the 1st Panzer Army and the 17th Army sectors. The 6th Army, now under the command of Lt. General Paulus, was able to push back enemy forces in the Seim valley towards the south.

Field Marshal von Bock took over command of the Army Group after the sudden death of Field Marshal von Reichenau.

Central Army Group:

Strong enemy attacks led to penetrations into the positions of the V Army Corps west of Moscow. Our troops withdrew along the Volokolamsk-Staritsa line according to plan. The XXIII Army Corps reports that the enemy is bringing up reinforcements towards the south through the gap in the left wing of the Group. At all other sectors of the Group our troops held their positions or repulsed enemy attacks.

Northern Army Group:

At several weak points of the Group's front the Russians succeeded in breaking through our lines; at other places our troops were barely able to contain enemy attacks.

2. Finnish and Norwegian Front:

No particular change of situation.

3. North Africa:

The situation along the El Agheila front remains unchanged.

18 Jan. 1942

Items of Political Importance

Great Britain:

Churchill returned to London on 17 Jan. Radio London reports from the White House that he and Roosevelt have reached a complete agreement concerning military and naval operations of both countries.

South Africa:

By a vote of 90 to 48, Parliament rejected a proposal by Malan which called for the immediate establishment of an independent South African Republic outside the Empire. The Union's declaration of war against Japan, Bulgaria, Hungary, Rumania, and Finland was ratified.

Burma:

The British Government had the Prime Minister of Burma arrested and detained in the U.S. while he was on his way back from London. He is suspected of pro-Japanese leanings.

Vatican:

Rumors are circulating that the Pope has forwarded a request to the South American Republics, asking them to heed his Christmas message in which he had expressed the hope that the war will not spread to further areas, and not to become involved in the conflict.

Spain:

The Foreign Ministry is of the opinion that the situation in North Africa remains serious. Sympathy for De Gaulle is growing, and it is quite certain that French troops will not resist an Anglo-American landing attempt. The Ministry is afraid that any day an incident might happen in Tangier which would give the British an excuse to intervene. Spanish troops in Morocco are inadequately equipped.

De Gaulle categorically denied that one of his destroyers participated in the raid on Fernando Po. Reuter reports also that London knows nothing of the affair.

Berlin:

In a solemn session Germany, Italy, and Japan signed a military agreement. The Chief, Armed Forces High Command signed for Germany.

Copy of the agreement as per 1/Skl 1204/42 Gkdos. in War Diary, Part C, Vol. XV.

Special Items:

I. Subject: Improvement of Coastal Defenses: Orders of the Army High Command supplementing the directive of the Armed Forces High Command concerning the improvement of coastal defenses, state that the

18 Jan. 1942

CONFIDENTIAL

ports with the best facilities are the points which are most vulnerable to enemy attacks. The Commanding General, Armed Forces, Norway and the Commander in Chief, West are therefore commissioned to plan and execute the improvement of coastal defenses in their areas. For this purpose the Commander in Chief, West is being given authority over the other branches of the Armed Forces in his area.

The Commander in Chief, Navy has been asked to request the necessary measures pertaining to naval warfare and ship movements from the Commanding General, Armed Forces, Norway or the Commander in Chief, West, and to inform these authorities of the steps which he has planned or taken for protecting the coast with defensive naval weapons.

Copy of order from the Army High Command as per 1/Skl 526/42 Gkdos. in War Diary, Part C, Vol. X.

II. A second supplement to the report on the enemy situation in the area of the sea lanes to the North Atlantic is in War Diary, Part C, Vol. IIIa as per 1/Skl I op 1067/42 Gkdos.

III. The Commander in Chief, Navy has ordered that the Operations Division, Naval Staff and the pertinent Group Command be represented at any conference pertaining to armament problems between an Air Force authority and the Underwater Obstacles Branch, the Mining and Barrage Inspectorate, or the Mine-laying Experimental Command. Group West and North, the Mining and Barrage Inspectorate, the Mine-laying Experimental Command, the Naval Ordnance Division, and the Underwater Obstacles Branch are being informed of the above. Copy of the corresponding letter 1/Skl I E 977/42 in War Diary, Part C, Vol. VI.

IV. Conference of the Chief of Staff, Naval Staff with Ambassador Ritter on 17 Jan. The question whether the Naval Staff still believes that Great Britain can be forced to her knees by means of a disruption of her life line is of outstanding importance to the Foreign Ministry. It was the principal topic at the conference.

The following points must be noted: Basically, the answer to the question is yes. Britain's war potential depends as much as ever on a steady flow of supplies. However, at present as well as for some time to come the Navy has neither adequate forces nor sufficient freedom of movement to break the enemy's will of resistance. This is due to the fact that it is impossible to muster sufficient strength within a reasonable time for forcing a showdown with Great Britain. Neither the Navy nor the Air Force is at this time in a position to concentrate its efforts on disrupting Britain's life line. But conditions will change, and the war of supplies might be brought to a decision by concentrating all available forces against Great Britain. Japanese successes will considerably facilitate such a move. The Naval Staff feels strongly that the decisive blow against Great Britain must be struck not only on a military but also on a political basis. (The loss of Malaya, Singapore, the Philippines, the Dutch East Indies, possessions in East Asia, the increasing acuteness of the Indian problem, the appearance and threatening development of the Arab problem, the development of the situation in the East and in North Africa, etc., will have the most far-reaching political repercussions.) It is therefore the tremendous task of the political leaders to support the military conduct of the war with clever diplomacy and propaganda appropriate to the military situation.

Ambassador Ritter feels that there is some hope among the political

18 Jan. 1942

CONFIDENTIAL

leaders that the fall of Singapore might have far-reaching repercussions among the British people and might lead to a fall of the Churchill Cabinet and perhaps a certain willingness to accept peace. The Naval Staff is of a completely different opinion. A sudden willingness of the British to make peace proposals is utterly impossible. Churchill's position in England appears to be unshaken, though it might be merely for the lack of another personality capable of taking over the government. However, it is even unlikely that his position will be less strong after the fall of Singapore. Particularly now that its ties with the U.S. are steadily becoming stronger, the British Empire will not collapse after the fall of Singapore or even after the fall of such important and rich areas as Australia and India. The Naval Staff is of the opinion that the spiritual forces which hold this unique political structure together are elastic and strong enough to create a new form of a British Commonwealth of Nations. A transformation of the British Empire into an English-speaking Union embracing British and American states, possibly centering around Canada, certainly lies within the realm of possibility. It seems to be an established fact that Churchill's policy has for a long time been following this line of reasoning with logical consistency.

Ambassador Ritter and the Chief of Staff, Naval Staff agreed on most of the above points. The official opinion of the Fuehrer and the Foreign Minister, however, seems not to correspond completely with this line of thought.

(For further points discussed during the conference with Ambassador Ritter, see War Diary, Part C, Vol. VIII.)

Situation 18 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

According to radio decoding, a British vessel was located 120 miles north of the Azores. According to an Italian report, the corvette WOODRUFF arrived in Ponta Delgada on 16 Jan., and a cruiser of the DRAGON class as well as a destroyer arrived on 17 Jan. An agent reports from Sao Vincente in the Cape Verde Islands that several British steamers were unloading war materiel. It remains unknown to whom this cargo is consigned.

An intelligence report from Tetuan states that on 16 Jan. 20 British Marines and 1 officer arrived from Gibraltar to guard the British Legation, and that they proceeded to their destination in civilian clothes.

Indian Ocean:

Near Durban an Argentine steamer sighted a convoy of 20 steamers, among them the NEW AMSTERDAM, the EMPRESS OF ASIA, and the EASTERN PRINCE.

The British steamer REPORTER STAR radioed that she was being shot at

18 Jan. 1942

CONFIDENTIAL

and pursued at about 16° 30' N, 62° 40' E (Arabian Sea). The ship might have encountered a Japanese auxiliary cruiser.

2. Own Situation:

All concerned were informed of the enemy situation via Radiogram 1553.

II. Situation West Area

1. Enemy Situation:

At noon a convoy of 9 steamers and numerous escort vessels was riding at anchor southwest of Land's End. Air reconnaissance sighted 13 additional escort vessels in the same area.

2. Own Situation:

Atlantic Coast:

On 17 Jan. a tow barge and a hopper barge hit a ground mine in the roadstead outside of Brest and sank. On the evening of 17 Jan. ship "10" once more sailed from Bordeaux to begin her long-distance operation.

This means that at least 1 armed merchant raider is operating again after a short interval. Several others are scheduled to follow during the course of this year. War Diary, Part C, Vol. I contains a list of all auxiliary cruisers which are being equipped for these operations, giving their statistics, including armament and expected dates of their completion.

Channel Coast:

On 17 Jan. 3 enemy planes flying at an altitude of 50 meters attacked Pelee harbor and scored bomb hits on steamers DH "7" and DH "8" and damaged several cranes and dock installations. Slight personnel losses. On the evening of 17 Jan. enemy surface forces attacked convoy V 1806 in quadrant BF 3334. Light coastal batteries were able to participate in the battle. 1 British PT boat was set afire and sunk. 12 prisoners were taken. The convoy arrived in Boulogne, having sustained no losses.

The 6th PT Boat Flotilla was transferred to Ostende, the 4th to Boulogne, and the 2nd to Ijmuiden. In the evening of 18 Jan. the 2nd PT Boat Flotilla consisting of 7 boats was operating on the convoy and detour route off Cromer.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

At noon air reconnaissance reported a southwestbound convoy of 17 steamers, 3 destroyers, and 4 escort vessels near Aberdeen. According to radio intelligence British patrol vessels reported German PT boats in the Cromer area.

Own Situation:

For reports on the extent of the damage caused by the enemy air raids on Wilhelmshaven and Emden on the evening of 17 Jan., see Telegrams 0830 and 1945.

Tugboat A "304" has been missing from a convoy since 17 Jan. Investigations are in progress.

2. Norway:Enemy Situation:

Radio intelligence located several British vessels in the Murmansk area. 1 of these was located during the morning in the White Sea approaches and another in the afternoon near Kanin Noss. 1 vessel reported a bomber attack east of Kola Bay.

Contact with the convoy which had been sighted on 17 Jan. was completely lost at 2340 in quadrant AC 8940.

Own Situation:

Ship "31" came off ground again in the afternoon of 17 Jan., apparently without damage. On her return voyage, submarine U "454" (Lt. Comdr. Hacklaender) spotted the enemy convoy (see Enemy Situation 17 Jan.) and, despite strong enemy defenses, sank 1 destroyer and 1 steamer after having tracked the convoy for a considerable time. The submarine also torpedoed 2 steamers and 1 destroyer. (See Telegram 2050.)

This was the first time that shipping on this northern route to Russia has been hit effectively. Although this time the attack was only directed against a westbound convoy, the enemy has been served notice that this supply route will no longer remain undisturbed.

On 19 Jan. 3 destroyers of the 8th Destroyer Flotilla will be assigned to remote escort duty for a transport carrying an Army coastal battery and 280 service troops. The 5th Destroyer Flotilla left Trondheim for its home base after operation "Polarnacht" had been executed.

At 0345 on 18 Jan., enemy planes raided Petsamo. 3 parachute air mines were dropped; 1 of these interrupted the light and telephone lines when it exploded on the shore.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea1. Enemy Situation:

Finnish radio intelligence intercepted a report to Kronstadt

containing the inventory of supplies on Lavansaari. Details are lacking.

2. Own Situation:

On 17 Jan. the remainder of SS Legion "Niederlande" left aboard the 13th transport group from Neufahrwasser en route to Libau. The 8th and 9th groups are still icebound on their return voyage. 1 steamer of the 9th group has 296 ambulatory cases aboard. The 3rd group of the 7th Mountain Division arrived in Hangoe on 18 Jan.

Observations and statements by prisoners indicate that despite all the ships known to have been sunk and badly damaged in Leningrad there are still 1 battleship, 2 cruisers, 1 mine cruiser, 1 flotilla leader, 12 destroyers, and 20 to 25 submarines in seaworthy or repairable condition left. Despite the extent of the destruction the shipyards are still able to do repair work.

Under these circumstances a flare-up of enemy naval activity in the Baltic Sea must be expected approximately by the middle of April when the ice has melted. The Russian efforts to reconquer the islands in the Gulf of Finland point to such plans.

The Navy must make all possible efforts and use all available means to blockade the Russian Baltic Sea Fleet in Kronstadt Bay. It has therefore been planned to lay, as soon as ice conditions will permit, a dense new mine field as close to Kronstadt Bay as possible. As experience has shown at the Juminda mine field, the effect of a mine barrier is considerably increased if it is guarded by artillery. Therefore the Naval Staff considers it important that the coastal strip from Schepel to Oranienbaum be taken by German forces before the end of April. Artillery on Schepel and at the Finnish front could cover the west entrance to the bay so completely that even mine-sweeping operations designed to open a breach for submarines could be prevented. The recapture of Hogland, Tytaersaari, Lavansaari, Peninsaari, and Seiskari is of paramount importance for laying the mine field.

Since, however, a mine barrier cannot completely prevent a breakthrough, as the very effective Juminda barrier has proven, the Navy is interested in having the shipyards and the ships at their bases destroyed by artillery and bomb attacks during the winter.

The Naval Staff is submitting a letter to this effect to the Armed Forces High Command, Operations Staff; the Army General Staff; and the Air Force Operations Staff. A copy is being sent to Group North. Copy as per 1/Skl 679/42 Gkdos. in War Diary, Part C, Vol. III.

V. Submarine Warfare

1. Enemy Situation:

At 0530 the Swedish steamer MILOS broadcast an SOS from about 500 miles west of Porcupine Bank. According to an intelligence report from Spain destroyer H "57" arrived in Gibraltar on 16 Jan. with about 56 prisoners from German and Italian submarines.

2. Own Situation:

For submarine successes in the Arctic Ocean see Situation

18 Jan. 1942

CONFIDENTIAL

Norway. For further situation reports see War Diary, Part B, Vol. IV.

In reply to the inquiry from the Naval Staff concerning the steamer GRELHEAD (see War Diary 17 Jan.), the Commanding Admiral, Submarines states that according to a report from the Intelligence Center, Paris the ship had left Melilla at 1200 on 1 Dec. 1941. According to the submarine's report she was torpedoed at 0300 on 2 Dec., about 25 miles from Melilla. The lapse of time, and the distance which the enemy ship could have travelled at a speed of 7 knots make it fairly certain that the ship sunk by U "562" was the GRELHEAD. (See Telegram 1715.)

This information should be sufficient to have the Foreign Office justify the submarine's action.

In answer to an inquiry from the Naval Staff, the Commanding Admiral, Submarines reports that nothing is known about the sinking of the HELLEN, and that submarine U "95" might have been responsible for it. (See Telegram 1720.)

VI. Aerial Warfare

1. British Isles and Vicinity:

Our operations against enemy shipping were unsuccessful. Penzance and Falmouth were attacked as alternate targets.

2. Mediterranean Theater:

18 planes of Bomber Group 54 scored direct hits on 3 steamers during an attack on a convoy in the Gulf of Sydra.

3. Eastern Front:

Effective operations of strong forces on all army sectors.

For reconnaissance observations in the Black Sea see Enemy Situation, Black Sea.

VII. Warfare in the Mediterranean

1. Enemy Situation:

German air reconnaissance over the sea area between Benghazi and Malta spotted a formation of 3 steamers, 4 cruisers, and 10 destroyers heading west to northwest. Contact was maintained from 0930 until 1600. At 1512 a British vessel reported an air raid, giving her own course as 290° and her speed as 13.5 knots. At about 1000, Italian radio intelligence intercepted a report from a British plane that it had sighted 1 cruiser and 5 destroyers proceeding at full speed on a 140° course. Since they cannot possibly have been our own forces, it must be an additional enemy group. Along the Cyrenaica coast German and Italian air reconnaissance observed movements of merchant ships protected by light cruisers and destroyers. 1 formation of 3 large merchant ships, 1 tanker, 1 light cruiser, and 3 destroyers,

protected by 3 fighter planes, was located 50 miles off Alexandria heading west. On the basis of aerial photographs it must be presumed that at least 100,000 GRT of shipping space reached Tobruk between 12 Dec. and 15 Jan.

According to an Italian agent's report, troop reinforcements from Cyrenaica are said to have arrived in Malta. Gozo Island is said to have been evacuated by the civilian population and to have been equipped with new batteries and search lights. 2 steamers with ammunition and supplies for Malta are said to have arrived in Gibraltar from Great Britain.

2. Situation Italy:

No changes.

3. Transport of Supplies to North Africa:

On 17 Jan. the steamer GIOVANNI BATTISTA arrived in Tripoli. At 0130 on 18 Jan. the tanker GIORDANI was unsuccessfully attacked by enemy torpedo planes south of Pantelleria. The steamers WARTENFELS and ATLAS and the tanker ALBERTO FASSIO arrived in Palermo and Trapani respectively. They will be assigned to carrying supplies to Tripoli.

4. Area Naval Group South:

Enemy Situation:

At 0755 an enemy submarine was sighted 17 miles northeast of Suda.

Own Situation:

The steamer CITTA DI LIVORNO of the "Siena" group with 350 German and 50 Italian troops aboard sank 17 miles northeast of Suda after an explosion, probably due to an enemy torpedo hit. The losses were small. The remainder of the group arrived in Suda, having once more been unsuccessfully attacked by an enemy submarine.

The tactical coordination of enemy submarines and mine barriers becomes particularly clear in this case. After the zone from the cliffs to the 200 meter limit had been closed by mines - the first victim of the mine field was patrol boat VP "11" - an enemy submarine which watched the effects of the mines and sweeping operations could be observed every day in the vicinity. This submarine attacked all shipping which entered deep water in order to circumvent the mine field. To approach the Gulf of Suda it has now become practical to sweep a lane close to the coast, and to utilize the remaining enemy mines as flank protection.

2 heavy anti-aircraft batteries have been set up to reinforce the anti-aircraft protection of Salamis.

In reply to the request of the Admiral, Aegean Sea, the Italian Navy expresses regrets that due to considerable losses of small vessels it cannot assign any further torpedo boats to the Commander, Italian Naval Forces, North Aegean Sea. The Italians point out that by now at least 3 torpedo boats of the Commander, Italian Naval Forces, North

18 Jan. 1942

CONFIDENTIAL

Aegean Sea should be ready for service, and that by the end of January all 5 torpedo boats assigned to him should be ready for action in addition to 3 former Yugoslav PT boats which had been assigned to him at an earlier time, and a fourth on which repairs will be completed within the next few days. For the corresponding report of the German Naval Command, Italy to the Admiral, Aegean Sea see Telegram 1430.

Black Sea:

Enemy Situation:

Air reconnaissance reports no particular change of the situation. 1 sunken and 7 damaged steamers were observed in Feodosiya. Radio intelligence located 2 flotilla leaders, 2 destroyers, and 3 submarines in the area of the southeast coast, and other destroyers east of Sinope.

Own Situation:

It is very difficult to estimate the number of seaworthy vessels as well as the total losses and damages suffered by the Russian Navy, because the Russians themselves have not announced a single loss up to this time. Our own data are based solely on a comparison of aerial observations and statements of prisoners.

Upon evaluating all available reports, the Russian Black Sea Fleet may be presumed to comprise the following vessels:

- 1 battleship
- 5 cruisers
- 2 flotilla leaders
- 15 destroyers
- 41 submarines

There are, moreover, 3 torpedo boats, 4 mine layers, training submarines, mine sweepers, patrol vessels, and special and auxiliary ships.

The Air Force damaged 1 cruiser (the KOMINTERN), both flotilla leaders, and a number of destroyers. However, on the basis of our previous experience, it may be assumed that all these vessels have been repaired again, or that the Russians continue using them despite their disabilities.

The total loss of 1 cruiser, 1 flotilla leader, 7 destroyers, and 4 submarines is presumed to be certain. The flotilla leader and 4 destroyers were lost through mine hits. The Air Force sank the cruiser, 1 destroyer, and 3 submarines, as well as 1 of the 3 newly built cruisers. The second cruiser (the KUIBYSHEV) may be ready for operations, in which case she should be added as a 6th cruiser to the above list. The whereabouts of the third newly built cruiser, last spotted in Kerch, is unknown. A sixteenth destroyer might also be commissioned.

Against the above vessels we have only the few Rumanian naval forces at our disposal; i.e., 4 destroyers, 1 PT boat, and 1 submarine. These ships can be used only for a limited range of assignments due to personnel and materiel shortages. The destroyers will hardly suffice for protecting the few freighters which must sail on convoy lanes constantly exposed to submarine attacks and mines. Our planned offensive operations can be launched only after German PT boats have been transferred to the Black Sea.

Only by intensified air operations (aerial mines and torpedoes) will it be possible to inflict damage and losses on the Russian Black Sea Fleet. A strong blow at its considerable offensive strength would be a prerequisite for enabling us to ship the maximum of supplies that available shipping space permits to the German-occupied ports as soon as the ice has melted.

The Naval Staff is sending a letter to that effect to the Armed Forces High Command, Operations Staff; the Army High Command; the Army General Staff; the Air Force High Command, Operations Staff; with copy to Naval Group South; as per 1/Skl I opa 679/42 Gkdos., together with a corresponding letter concerning the Baltic Sea. Text in War Diary, Part C, Vol. III.

VIII. Situation East Asia

1. Enemy Situation:

According to a report from Singapore, on the morning of 17 Jan. Allied air forces attacked Japanese ships off the Malay coast and allegedly damaged several vessels. The Australian Air Ministry reports that the Australian Air Force attacked the Caroline Islands and destroyed 1 seaplane and several sloops.

2. Situation Japan:

Headquarters reports that on 12 Jan. Japanese marines took the oil region of Tarakan on Dutch Borneo in cooperation with the Air Force. The Japanese Fleet lost 2 mine sweepers in the attack on Tarakan. According to German press reports, the Japanese broke through several points of the Pownall Line on Malaya and captured the last British airfield on Malaya, Batu Bekrat, by landing in the enemy's rear.

IX. Army Situation

1. Russian Front:

Southern Army Group:

Feodosiya in the Crimea was occupied. 7 enemy divisions have been located at the Feodosiya front. At the 1st Panzer Army sector the expected enemy attack was launched along the entire front. It was repulsed everywhere. The enemy attacked with 8 to 9 divisions at the northern part of the 17th Army sector. The attack was repulsed for the greatest part. The enemy succeeded in penetrating our lines only at a few places. At the 6th Army sector the enemy succeeded in breaking through our lines north of Belgorod and near Dolgoe. Enemy attacks in the vicinity of Rzhev were repulsed by counterattacks and our troops captured several villages.

Central Army Group:

West of Byelev our troops repelled an enemy attack from Staritsa to the south. German troops took Lyudinovka. The enemy at-

18 Jan. 1942

CONFIDENTIAL

tack on the highway near Syuidkova failed again despite the participation of 300 paratroopers. Enemy forces penetrated our positions north of Mozhaïsk. A counterattack is in progress. All other attacks against the Army Group were repulsed.

Northern Army Group:

North of Lake Ilmen the enemy attempted in vain to widen the breach at the 126th Infantry Division sector. All attacks at the other sectors were likewise repulsed.

2. Finnish and Norwegian Front:

Situation unchanged.

3. North Africa:

At the central sector of the El Agheila front enemy forces continued to consolidate their positions in southwesterly direction. South and southwest of Agedabia aerial reconnaissance spotted major concentrations of motor vehicles and tanks. The construction of our fortifications and laying of land mines proceeded according to plan.

19 Jan. 1942

Items of Political Importance

Great Britain:

In a speech, Labor Party delegate Shinwell accused the British Government of forcing the British public to watch the decay of the Empire. He said that the men responsible for this sad state of affairs are continuing in office, and that it is hard to foresee what catastrophes the future still has in store. No government declarations could hide the fact that British interests in East Asia are being sadly neglected. One could hardly expect the British Armed Forces to be victorious on all fronts, but that they are unable to produce results anywhere is inexcusable.

Rumania:

German-Rumanian economic negotiations are becoming increasingly difficult. The Rumanians are taking a more and more uncompromising attitude; German praise of Rumanian military feats is said to have given rise to a certain arrogance on their part which is being further strengthened by their awareness that the present military situation has made their contributions to the war effort more valuable than ever.

Since Germany and Italy absolutely depend on Rumanian oil deliveries it is of vital importance that such undesirable difficulties are not allowed to become more serious.

Turkey:

The Foreign Minister confided to German quarters that the Turkish Government urgently desires a German victory over Russia by spring.

South America:

For detailed reports concerning proceedings at the conference in Rio see Political Review No. 22, Paragraph 11.

Japan:

According to press reports, the president of the newly founded state-controlled industrial corporation stated that Japan would need from 5 to 10 years before being able to benefit from any of the resources which she has captured in the Pacific. The problems of constructing transport facilities (ships) and exploiting raw materials at their sources must still be solved. The corporation president declared that, if a way can be found to raise these 2 factors to a sufficient level, Japan will, after 10 years of hard work, find herself the richest nation in the world.

Conference on the Situation with the Chief, Naval Staff.

I. Commenting on the numerous ship disasters in Norwegian waters, the Naval Staff, Quartermaster Division rightfully states that our naval forces and merchant vessels are expected to perform feats of

navigation which no one would ever think of expecting in those waters during normal times. Everything is being done, therefore, for improving the navigational equipment of our vessels.

II. The intensive air raids on Emden bring up the question to what extent the city might be evacuated. For the Navy's part, submarine construction and repair facilities for naval and merchant vessels are important enough to advocate keeping the shipyards operating; in the interest of armament production, however, it is imperative that this indispensable ore terminal and its installations be kept in operation regardless of prevailing circumstances.

III. The Chief, Naval Communications Division reports about results of tests performed on the hydrophone installations aboard the TIRPITZ which the ship's captain had reported as being inadequate. It really developed that, due to the disturbing influence of the starboard and port propellers, the range of the hydrophone gear aboard this vessel is reduced at speeds exceeding 15 knots, as compared to 23 knots on the BISMARCK, 25 knots on the SCHARNHORST and the GNEISENAU, and 28 knots on the PRINZ EUGEN. The tests are being continued.

IV. The Chief, Naval Staff, Quartermaster Division reports on measures which should be, or are being taken in order to put the organization of naval shore stations on a wartime basis again since hostilities in the eastern Baltic Sea may be expected to flare up once more in the spring. The entire organization had already been operating on a basis designed solely for training and practice purposes. A further report concerns organizational measures in the area of the Commanding Admiral, Defenses, North. In view of the prevailing personnel shortage the Chief, Naval Staff agrees that no separate chief is to be appointed for the V Escort Division. The Commanding Admiral, Defenses, North had requested that such an appointment be made in order to fill the vacancy created when the original chief took charge of his present duties as Commander, Mine Sweepers, North Sea. The Chief, Naval Staff, Quartermaster Division also proposes that, for obvious reasons resulting from cooperation with corresponding authorities of other branches of the Armed Forces, all Admirals in command be given the rank of Commanding Admiral no matter what rank the present or future officers in those positions might hold. The Chief, Naval Staff concurs in the proposal.

V. The Foreign Affairs Section of the Naval Staff, Operations Division reports about the status of negotiations between the Armistice Commission and France which for all practical purposes may be considered discontinued. The Armed Forces High Command ordered that the French demands be rejected as bluntly as possible. It is noteworthy that the Italians had already reached agreements on many points during their negotiations with the French. The Armed Forces High Command is said to be using all means at its disposal to force the French to accept our demands calling for their support of our North Africa transports.

VI. Discussion of the Terboven affair: On the basis of the explanation by the Chief of Staff, Naval Staff concerning the Navy's opinion on the demands made by Reich Commissioner Terboven, the Naval Staff on 10 Jan. informed the Commanding Admiral, Norway about the progress made in the matter. The Commanding Admiral, Norway was requested to inquire of Staatsrat Quisling in what respect the verdict which the prize court handed down against the whaling vessels is detrimental to his position. A telegram from Reich Commissioner Terboven which had arrived in the meantime contained the Fuehrer's decision that the prize court's verdict against the Norwegian whaling vessels is to be reversed. In agreement with the Chief of Staff, Armed Forces High Command the Naval Staff

19 Jan. 1942

CONFIDENTIAL

then inquired in a letter to Reich Commissioner Terboven to what extent the Fuehrer's decision should be applied. No answer has yet been received to this inquiry. On the other hand, the Commanding Admiral, Norway complied with the directive of the Naval Staff and arranged to have Staatsrat Quisling interviewed in order to determine his viewpoint. This interview revealed that Mr. Quisling does not object to the prize trial as such, but solely to the fact that the press report of the decision contains an excerpt from the court's opinion stating that the ships have been forfeited to the German state because a state of war continues to exist between Germany and Norway. He stated that it is this official declaration alone which is placing the Norwegian ministers in an awkward and difficult position because it is diametrically opposed to the de facto relationship between Germany and Norway, and because it enables the opposition to remark that the Norwegian ministers and the Norwegian volunteers are working or fighting for the enemy, a fact which justifies the kidnappings of members of the National Socialist Party.

Mr. Quisling is merely requesting that those ships which voluntarily return to Norway or to the Axis sphere of influence with their crews be treated as friends and not to seize them (see Radiogram 1230).

The Commanding Admiral, Norway further comments on the inquiry which the Naval Staff submitted to Reich Commissioner Terboven. He rightfully points out that publication of the prize court's verdict in its damaging form could easily have been prevented by the Reich Commissioner since he is responsible for the press. (See Telegram 1231.)

As soon as the Naval Staff has the opportunity it will attempt to settle the matter to its own satisfaction with the Fuehrer or the Chief of Staff, Armed Forces High Command.

Special Items:

With reference to operation "Mandarine" which the Fuehrer ordered on 12 Jan. the Naval Staff requests the Operations Staff of the Commander in Chief, Air to delegate the responsibility for air cover to some headquarters and to authorize it to arrange the necessary measures for operation "Torero" directly with Group West. Text of the above request in War Diary Files "Mandarine" as per 1/Skl I L 143/42 Gkdos. Chfs., a copy of which is being forwarded to Group West.

Situation 19 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North and South Atlantic:

No reports.

Indian Ocean:

On 19 Jan., radio signals pointing to the presence of the

INDOMITABLE were again intercepted from the Aden area. A report from the French Military Attache states that since the beginning of January numerous eastbound convoys from Suez are being observed from Jibuti. British troops also are being withdrawn from Abyssinia, and the country is being turned over to native authorities. British troops have likewise been withdrawn from the frontier of French Somaliland, and the naval blockade off Jibuti has been lifted for all practical purposes.

Secret Intelligence determined that convoys from Montevideo are proceeding to the Cape of Good Hope, from which point they proceed in the following directions:

1. Along the African coast to Pointe Noire, Lagos, and Freetown.
2. Along the coast to Mombasa, Mogadiscio, and the Red Sea.
3. On a direct course to Rangoon, Ceylon, and Port Darwin.

Pacific Ocean:

According to the Charge d'Affaires in Ecuador, 2 U.S. air bases on the Galapagos Islands have been completed and fortifications are under construction. A regular air service to Balboa is in operation. Parts of the U.S. Pacific Fleet are said to be stationed at this new base.

2. Own Situation:

The Naval Attache in Tokyo answers the Naval Staff's inquiry concerning the reception of radio messages intended for blockade-runners (see War Diary 15 Jan.) affirmatively. The Portuguese Naval Ministry informed the German Legation that the steamer QUANZA will sail from Lisbon on 20 Feb. to carry troops to Angola.

The Naval Attache in Tokyo reports that the blockade-runners MUENSTERLAND, QUITO, GOGOTA, WINNETOU, FUSIJAMA, TORNATOR, and probably the Danish vessel NORDBO, will be ready to depart within the very near future. The Attache recommends using these vessels because the Japanese Navy wants to charter them only if we have no need for them. This observation is being made with express reference to the telegram which Dr. Wohltat sent to the Foreign Office, in which he too is urging that the 150,000 tons of goods purchased by Germany be shipped at once. The Attache further reports that, beginning in the summer of 1942, the following vessels will operate as blockade-runners: The KULMERLAND, HAVELLAND, RHAMSES, and RHAKOTIS; probably the TANNENFELS, and the REGENSBURG. Besides these, additional vessels must be dispatched to Japan. The Attache requests a speedy, positive, decision since Japan will provide further goods only if they are being shipped as soon as possible, and if the Japanese have reason to believe that active German naval warfare is continuing. (See Telegram 1203.)

As concerns large-scale imports of critical materials, the Naval Staff is too well aware of their strategic importance not to desire to overcome the handicaps of an insufficient number of vessels and trained crews.

Report about the enemy situation via Radiogram 2157.

II. Situation West Area1. Enemy Situation:

According to a French report, a British destroyer exploded and sank in Gibraltar on the evening of 18 Jan. The convoy en route from Gibraltar is expected to reach the southern coast of Ireland on 20 Jan.

2. Own Situation:Atlantic Coast:

The DOGGERBANK has been ordered to sail on 21 Jan.

The rubber transport SPREEWALD, with prisoners and mail from ship "41" aboard, intended to reach point "Sperber" on 29 Jan. proceeding at 9.8 knots, and to arrive at her port of destination on 6 Feb. The Naval Staff expects a delay of 2 to 3 days. The ship is camouflaged as the Norwegian vessel ELG. Plans call for 1 submarine escorting her in-to port in the same manner as the BURGENLAND.

Group West and the Commanding Admiral, Submarines are being informed of the above. Group West is being directed to take charge of the vessel on 1 Feb. at 0000 German daylight saving time, and to arrange the location, time, and recognition signal for her rendezvous with the submarine with the Commanding Admiral, Submarines. Group West is also being directed to furnish the Naval Staff with plans for the operation so that the SPREEWALD may be advised accordingly.

Channel Coast:

A brief report from the 2nd PT Boat Flotilla states that 7 PT boats, each carrying 6 German aerial mines type B, mined an extensive area off Cromer during the night of 18 Jan. The first and second group executed the mission without being spotted by the enemy. The enemy detected the approach of the third group. 1 PT boat laid mines under fire from destroyers. The enemy did not spot the other PT boat. For details of the brief report see Telegram 1620.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

A British broadcast reported that the destroyer VIMIARA has been sunk. The vessel had last been located in Sept. 1941, on the east coast.

Own Situation:

Up to the present, the search for tugboat A "304" has been unsuccessful. North of Wangeroog 1 ground mine was swept in water 17 meters deep.

2. Norway:Enemy Situation:

According to radio monitoring, British vessels are located in the direction of the Gulf of Motcvski and Kola Bay. At 1440 a British plane reported that it was unable to spot the principal target (TIRPITZ) along the coast of northern Norway, and that the Trondheim roadstead is partly hidden by low clouds. Air reconnaissance spotted a submarine near Svaerholt and another one at the outlet of Groet Sound. East of North Cape reconnaissance planes spotted a large destroyer or small cruiser which laid a smoke screen and withdrew in northerly direction. A Russian newspaper report states that the British submarines TIGRIS and TRIDENT have been operating in the Arctic.

Own Situation:

The 5th Air Force reports that it probably sank a merchant ship of 5,000 GRT near Cape Teriberski on 18 Jan. On 19 Jan. an enemy submarine fired 2 torpedoes at the steamer SOEROE near Svaerholt, missing the vessel both times. After the ship had anchored, the submarine surfaced and set her afire with gunfire. 1 of our planes unsuccessfully attacked the submarine which was spotted in Groet Sound.

Enemy submarine activity in the coastal area of northern Norway appears to be increasing. As a result, the weakness of our subsisting and escort forces has more and more serious repercussions.

Enemy planes raided Kirkenes during the night of 18 Jan. Slight splinter damage and minor losses aboard patrol boats BUSSARD and FRANKE.

The mine sweepers ULM and BRUMMER sailed from Bodoe en route to Tromsøe.

The most unfortunate collision of destroyers Z "23" and Z "24" on the north shore of the Kors Fjord creates a grave shortage of forces. The extent of the damage has not yet been reported. The scheduled transfer of an Army coastal battery and its crew aboard the 8th Destroyer Flotilla had to be cancelled.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea1. Enemy Situation:

Finnish radio intelligence intercepted a message from Lavansaari to Kronstadt concerning communications and mine-free channels between the coastal islands and Kronstadt.

2. Own Situation:

The SCHLESWIG-HOLSTEIN is returning from the Gulf of Riga in the wake of the icebreaker CASTOR.

Plans proposed by the Commanding Admiral, Baltic Countries (see War Diary 16 Jan.) and orders issued by Group North call for reinforcing coastal defenses with a naval shock troop, transferring naval detachments to the coast of Estonia in order to prevent enemy landings, and occupying those Finnish coastal islands which are located close

to shore by naval personnel once they have been captured by the Army. Naval Station, Baltic is of the opinion that an occupation of the islands is not feasible in view of the limited combat efficiency of available personnel contingents. A copy containing this opinion is in War Diary, Part C, Vol. III, as per 1/Skl 1465/42 Gkdos.

Reassigning the Baltic Trials Unit to combat duty is one of the measures by which the Naval Staff is preparing for a resumption of hostilities in the eastern Baltic Sea in spring. For the corresponding directive to the Naval Staff, Quartermaster Division as per 1/Skl I op 142/42 Gkdos. Chfs. see War Diary, Part C, Vol. III.

V. Submarine Warfare

1. Enemy Situation:

According to an agent report, a large number of planes and ground personnel totalling 1,400 men were to have been assembled in Halifax during the first week of January, presumably to be transferred to England. Another major transport to England involving more than 3,300 men and 76 to 80 ships, part of them of U.S. registry, is said to be assembling in the St. John roadstead in Halifax. Radio intelligence reports that a submarine set fire to the U.S. tanker MALAY (8,207 GRT) near Cape Hatteras, and that the Norwegian whaler KOSMOS II (16,966 GRT) broadcast an SOS.

It has been determined that a considerable number of vessels were beached and severely damaged by bad weather on the west coast of the British Isles. 5 vessels totalling approximately 25,000 GRT are among the victims. The explosion in Gibraltar, which French sources reported to have occurred on 18 Jan., was confirmed by an intelligence report from Spain.

The British Admiralty announces that the submarine PERSEUS must be presumed lost. She had last been located in the Eastern Mediterranean towards the end of 1941. The First Lord of the Admiralty commented on the sinking of submarine U "100" (Schepke). The submarine was rammed and sunk after a battle of 3 hours during which she attacked the convoy. 5 survivors were rescued.

2. Own Situation:

In confirmation of the recent telephone conversation, the Commanding Admiral, Submarines has been informed that the Italians are at liberty to withdraw their submarines from the Mediterranean and that the Naval Staff does not intend to influence their plans, so that Italian submarine operations in the Atlantic may be counted on for the time being. (See Telegram 1121.)

Situation report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

7. German planes flew unsuccessful sorties against ships.

Yarmouth and an airfield were attacked as alternate targets, the effect on the latter was observed.

2. Mediterranean Theater:

A belated report of 18 Jan. states that a 6,000 GRT steamer sustained a hit during an aerial torpedo attack off Ras el Tin. On 19 Jan. a 5,000 GRT steamer was set afire east of Derna. For reconnaissance observations see Enemy Situation, Warfare in the Mediterranean.

3. Eastern Front:

Strong and effective air operations in the Crimea near Feodosiya and the Central and Northern Army Group sectors. Reconnaissance activity over the Black Sea. For observations see Enemy Situation, Black Sea.

VII. Warfare in the Mediterranean

1. Enemy Situation:

According to German air reconnaissance, the Malta-bound convoy which had been sighted and attacked repeatedly on 18 Jan. split into 2 groups during the morning of 19 Jan. It is reported to have arrived in Valletta during the afternoon but no mention is made whether 1 or both groups were involved. Italian air reconnaissance reports that the naval force which escorted the convoy on 18 Jan. changed course during the night, presumably after naval vessels from Malta had taken over. During the morning it was spotted 50 miles from Derna comprising 3 cruisers and 7 destroyers which were proceeding in easterly direction at full speed, presumably returning to Alexandria. A fair number of escorted convoy movements in both directions were again observed along the African coast in the Eastern Mediterranean.

2. Own Situation:

For details about the successful air attacks on the convoy on 18 Jan. see War Diary 18 Jan., Aerial Warfare.

5 vessels of the 3rd PT Boat Flotilla attacked the convoy in the afternoon of 18 Jan. without success. Weather conditions forced the PT boats to turn back around midnight without having spotted anything

3. Situation Italy:

Nothing to report.

4. Transport of Supplies to North Africa:

Nothing to report.

5. Area Naval Group South:

Aegean Sea:

A submarine off the Gulf of Suda was unsuccessfully attacked with 5 depth charges. For the final report from the Commanding Ad-

miral, Aegean Sea concerning the loss of the steamer CITTA DI LIVORNO see Telegram 2130.

Black Sea:

1 gun of the battery at Bugaz is ready to fire. Otherwise nothing to report.

VIII. Situation East Asia

1. Enemy Situation:

According to an official British report, fighter planes shot down 9 Japanese planes during an air raid on Singapore on 18 Jan. Fires broke out in the oil dump of the naval base. American reports state that Japanese pressure on Bataan Peninsula (Luzon) has become less severe.

2. Situation Japan:

According to a report from the Military Attache in Tokyo of 17 Jan., Japanese troops and 30,000 Americans are engaged in bitter fighting on Bataan Peninsula. Further reports of importance are not available.

IX. Army Situation

1. Russian Front:

Southern Army Group:

Our offensive on Kerch Peninsula is progressing satisfactorily. At the 1st Panzer Army sector the 1st and 4th Mountain Divisions repulsed Russian attacks with severe losses to the enemy. The enemy launched strong attacks against the entire front of the 17th Army. Enemy troops which succeeded in penetrating our lines at isolated points and effected one break-through will have to be mopped up. Sporadic enemy attacks at the 6th Army sector also succeeded in breaking through our lines at one point near Dolgoye where our troops were forced to launch a counterattack.

Central Army Group:

All enemy attacks at the 2nd Army sector were repulsed. The 4th Army was able to block an enemy penetration north of Mozhaisk. The enemy is throwing strong forces into the gap in our lines west of Rzhev.

Northern Army Group:

Assaults on Kholm were repulsed. Near Molvotitsy the enemy succeeded in breaking through our lines to the north. Staraya Russa is under heavy enemy fire.

2. Finnish and Norwegian Front:

At the Karelian Army sector the enemy succeeded in breaking

19 Jan. 1942

CONFIDENTIAL

out of the encirclement of the 4th Division.

3. North Africa:

Enemy troops continue consolidating their positions at the El Agheila front. Air reconnaissance spotted only combat forces in the south. 111 German and 89 Italian tanks will be available for operations by 20 Jan. 28 additional German tanks are moving up.

4. Special Items:

An excerpt from the Fuehrer's order to the Central Army Group of 15 Jan. 1942 concerning the withdrawal of the 4th Army and the 3rd and 4th Panzer Army fronts is in War Diary Files "Barbarossa" as per 1/Skl op 141/42 Gkdos. Chfs.

20 Jan. 1942

Items of Political Importance

France:

According to foreign press reports, Germany is really attempting a fundamental clarification of her relations with France. Well-informed sources in Berlin are said to have confirmed this report, with the qualification, however, that negotiations are still in the initial stage and that it is uncertain whether they will lead to any satisfactory results.

Great Britain:

East Asia is bitterly protesting the decision, evidently arrived at in Washington, to direct the war effort of the Anglo-American powers primarily against Germany.

According to the report of a neutral diplomatic source, America's entry into the war has strengthened Churchill's position to such an extent that not even the loss of Singapore could cause his fall. The Labor Party has lost greatly in prestige because of the failure of its leadership. The report states that the political leadership has, however, not gone to the old conservatives but to a new group sponsored by Churchill, which identifies itself with the idea of an Anglo-American Union. The food situation is said to be satisfactory while the organization of the armament industry is still inadequate.

The Admiralty announced that at the time of the Fernando Po incident no British or Allied warship was in the vicinity. Investigations are said to be continuing.

Portugal:

A diplomatic source quotes Salazar as having said that he expects the invasion troops on Timor to withdraw as soon as Portuguese troops arrive there.

Sweden:

The government has decided to pass stricter laws against espionage and sabotage but refrained explicitly from outlawing the Communist Party.

Finland:

According to a report from the German Minister, the Foreign Ministry declared that enemy propaganda about a separate peace is having very little effect on the people. There are no influential politicians or military leaders in Finland who would advocate a separate peace with Soviet Russia at the present time.

U.S.A.:

The Chairman of the Senate Foreign Relations Committee declared that the U.S. could not afford to abandon the Pacific in favor of other theaters of war. He expressed the hope that Russia will actively join in the war against Japan.

This declaration proves that a large section of the

American people has failed to understand Roosevelt's belief that Germany, being the No. 1 enemy, must be defeated first.

Washington circles are expecting proposals for increasing the President's powers for the duration of the war to be submitted to Congress. The 2 largest American labor organizations are said to have agreed to cooperate very closely under CIO leadership.

South America:

At the Rio Conference the Argentine Foreign Minister again emphasized that his country could not agree to a breach of diplomatic relations with the Axis powers. It is therefore expected that the conferees will arrive at a compromise between the nonbelligerence advocated by Argentina and a break in diplomatic relations.

The advantages to be gained by shrewd bargaining are largely determining the attitudes of the various countries at the conference. The assumption that in the end all American countries will break diplomatic relations with the Axis will probably prove correct.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief, Naval Construction Division reports that the dock caisson at Brest has been removed as planned. No blasting was necessary. He also reports that the Gauleiter of Oldenburg, Roever, is trying to have Emden completely evacuated. Reich Minister Todt is to investigate the possibility of carrying out this measure, and it is to be hoped that the Navy can convince him of its viewpoint concerning the continuation of harbor and shipyard operations. A conference on the subject, in which the Navy will participate, is scheduled for the next few days.

II. The Chief, Naval Ordnance Division reports that the investigation of the spontaneous detonation of the standard mines type F is still in progress but that, for the time being, this type of mine must be declared unsuited for operational use. The Chief of the Naval Ordnance Division also reports that the Armed Forces High Command has ordered all troop trains near the front equipped with anti-aircraft guns, and that Rumania may be expected to reduce her domestic oil consumption by 20,000 tons a month which will be added to exports.

III. The Naval Staff, Foreign Affairs Section reports that the Brazilian Government has purchased the steamer MONTEVIDEO and chartered the steamer WINDHUK.

IV. The Chief, Bureau of Naval Armament, War Economy Branch reports on the labor situation and conscription, as well as on the effects of the Fuehrer directive of 10 Dec. concerning changes in the previous armament program. (Priority of Army requirements over the Navy and Air Force in 1942.)

V. Field Marshal von Leeb has relinquished the command over the

Northern Army Group to Field Marshal Kuechler.

Special Items:

I. Availability of Light Naval Forces. The Commander, Destroyers reports that none of the destroyers will be ready by 22 Jan. On 24 Jan. the 5th Destroyer Flotilla with 3, possibly 4, vessels will become available for transfer from Kiel, and 2 additional vessels will be ready to sail on 30 Jan.

Since repairs on destroyers Z "30" and Z "28" will probably not have been completed before 14 Feb., the Naval Staff informs Groups West and North, the Fleet Command, and the Commanding Admiral, Battleships that previous plans have been changed to the effect that the 8th Destroyer Flotilla will be put at the disposal of Group West. Due to the collision of Z "23" and Z "24", only Z "25" will be available in the West Area at the beginning of February. Furthermore, the 5th Torpedo Boat Flotilla with 5 vessels will be assigned to Group West. In view of the fact that destroyers Z "23" and Z "24" have temporarily been put out of commission, which will presumably reduce the total of destroyers available for operations to 7, the Naval Staff is unable to act on the suggestion of the Commanding Admiral, Fleet that 4 vessels of the 3rd Torpedo Boat Flotilla be assigned to Norway and that, if conditions warrant, the SCHEER be transferred to Norway at the same time. Thus, 7 destroyers, 10 torpedo boats of the 1935 class, and 5 old torpedo boats will probably be available for operation "Korsika".

The Naval Staff, Quartermaster Division is being directed to see that personnel and equipment necessary for preparing the 5th Torpedo Boat Flotilla for operations will be procured. Copy of the directive 1/Skl I op 152/42 Gkdos. Chfs. in War Diary Files "Mandarine".

II. Strategic Significance of Ireland for the U.S.A. and Great Britain

The answer of the Naval Staff, Operations Division (Operations Branch) to the question of the advantages which the U.S.A. and Great Britain would gain if the U.S. occupied Eire may be found in War Diary, Part C, Vol. IIb.

Situation 20 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

South Atlantic:

As the first of the expected measures against Axis nationals in Brazil, the government decreed that the German Embassy may communicate by telegraph only with the Foreign Office in Berlin.

According to radio intelligence, all ships riding at anchor in the British bays near Akra (west coast of Central Africa) have been ordered to cruise up and down the coast during the night.

Pacific Ocean:

The U.S. destroyer GOLDSBOROUGH arrived in Valparaiso on 17 Jan.

2. Own Situation:

Radio London has reported incorrectly that the steamers WINDHUK; MONTEVIDEO, and the Italian steamer CONTE GRANDE have been confiscated by Brazilian authorities. The result of the negotiations concerning the sale of the CONTE GRANDE is still unknown.

The Lyons newspaper "Sept Jours" printed an account of the battle between the CORMORAN and the SYDNEY, apparently based on British information. According to this story, the auxiliary cruiser torpedoed the SYDNEY from a distance of 800 meters, hitting her below the bridge and soon thereafter causing the ship to capsize. At that very moment, the SYDNEY recognized that the ship, which she had stopped and which had identified herself as a Norwegian passenger steamer, was the CORMORAN. She fired her first and only salvo piercing the CORMORAN's bulkhead in so many places that no efforts could save her. The crew took to the boats, heading for the 250 miles distant Australian coast. The SYDNEY went down with her entire crew.

This description is very plausible. It corresponds with the assumption of the Naval Staff about the manner in which this famous hit was scored.

Radiogram 2207 advises ship "10" that at 0000 on 21 Jan. the Naval Staff will take over the command.

Etappe Tokyo is being informed about the reference points and sailing instructions for the TANNENFELS via Telegram 1221.

Information on the enemy situation via Radiograms 0613, 1811, and 2245.

II. Situation West Area1. Enemy Situation:

Air reconnaissance reports that 17 eastbound steamers and 3 patrol vessels were located off Lizard Head at noon. Only slight traffic was observed in the Bristol and St. George's Channels.

2. Own Situation:Atlantic Coast:

Group West reports that, according to its reckoning, ship "10" will reach the boundary between the command areas at 2400. The Naval Staff confirms that it will take over command at 0000 on 21 Jan.

To preserve the defense forces, the Commanding Admiral, Battleships urgently requests that the target practice, which the Naval Ordnance Division, Torpedo Branch has ordered for destroyers in the West Area beginning 25 Jan., be postponed since losses cannot be afforded. (See Telegram 1945.)

Channel Coast:

The 4th PT Boat Flotilla belatedly reports an encounter with 2 small vessels, presumably British PT boats, on route "Lila" at 2140 on 18 Jan. No shots were fired because the enemy quickly withdrew into the haze. (See Telegram 1915.) On the evening of 20 Jan. the 4th PT Boat Flotilla operated against targets located off Dover.

Otherwise nothing to report.

Special Items:

The Naval Staff requests Group West to submit an outline for a "Guide to Cooperation between Merchant Ships and Escort Submarines" on the basis of experience gained by the Group and the Commanding Admiral, Submarines.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

Radio intelligence located a British vessel 90 miles west of List and, beginning at 2300, intercepted a continuous broadcast from Dover to British escort vessels concerning the location of a German PT boat force off Dungeness. Towards noon air reconnaissance spotted a southbound convoy of 12 steamers, 1 destroyer, and 2 patrol vessels off Yarmouth. 2 steamers and 1 patrol vessel were sighted in the bays of the Faeroe Islands.

2. Own Situation:

The search for tugboat A "304" remained unsuccessful. The 3rd Air Force has been asked to provide search patrols. The vessel presumably capsized during bad weather. The 34th Mine Sweeper Flotilla was strafed by an enemy plane on 19 Jan. Only slight damage was caused. Because of the increasingly difficult ice conditions in the river estuaries, the Commanding Admiral, Defenses, North has ordered the escort vessels and convoy assemblies transferred to Heligoland.

Group North has submitted the operations order for mining the Hoofden area (key word "Weichsel"), providing also for shifting the mine field 5 miles to the east if necessary.

Since this would narrow the passage desired by the Naval Staff even more than in the original plan, which already provided for less than the Naval Staff had explicitly requested, the Group is instructed as follows: "A possible shift of the minefield 5 miles to the east cannot be approved, since a further limitation of our freedom of action is deemed impracticable."

The 1st Mine Sweeper Flotilla left Cuxhaven with 6 ships for operation "Weichsel".

2. Norway:Enemy Situation:

Unconfirmed reports state that on 19 Jan. 4 unidentified vessels were located near Cape Svaerholt. A search by the 5th Air Force was unsuccessful (see War Diary 19 Jan.).

Own Situation:

On 19 Jan. an enemy submarine fired 10 rounds at Svaerholt. Few persons were wounded. The steamer SOEROE has burnt out. (See War Diary 19 Jan.) Subchaser "1403" ran aground in the Tromsø area.

On 20 Jan. submarines U "134" and "454" arrived in Kirkenes. Weather conditions prevented operations of the 8th PT Boat Flotilla.

The TIRPITZ finished her exercises in the Trondheim Fjord.

Group North is advising the Commanding Admiral, Norway that it is impossible at present to relieve the 15th Mine Sweeper Flotilla for overhauling as requested. The Commanding Admiral, Norway is no longer to dispatch to the shipyards individual vessels which are in operating condition. (See Telegram 1416.)

Bugoe Fjord, Kjøe Fjord, and Jar Fjord in the Kirkenes area have been closed to shipping as per report from the Commanding Admiral, Norway via Telegram 1545.

Reports concerning the collision of the destroyers Z "23" and Z "24" on 19 Jan. have been received from both destroyers and the Commanding Admiral, Norway. The vessels collided in the fog with such force that it was not until 36 hours later, while being towed to the SUEDEMEER, that they were able to get free of each other. Z "24" is able to proceed at full speed and Z "23" only at moderate speed to Trondheim, where the extent of the damage must be further determined. (See Telegrams 1810, 1820, and 2145.) By Telegram 2201 the Naval Staff requests the Admiral, Arctic Ocean to determine to what extent Z "23" and Z "24" could be restored to operating condition by improvised repairs.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

The 5th Torpedo Boat Flotilla arrived in Kiel with 4 vessels. Ice conditions in the Sound and Great Belt are becoming worse. Bomber Squadron 1/706 is no longer able to operate. The SCHLESWIG-HOLSTEIN, the CASTOR, and 3 other ships froze fast in the pack ice in the Irbe Strait. Strong ice pressure. Group North reports that the SCHLESIEN has been dispatched to aid these ships. The steamers RICKMERS and ULANGA of the 8th and 9th transport groups, the ULANGA with 296 ambulant cases aboard (see War Diary 19 Jan.), were able to free themselves and are en route to Stettin. The SCHLESIEN is to break the ice surrounding the steamer ASKARI.

Group North further reports on ice conditions as follows:

Since not enough German icebreakers are available to keep the Gulf of Riga and the port of Reval open for Army supply shipments so long as present ice conditions prevail, it will be necessary to reroute all

supply ships to Libau. For the time being, the ports of Libau, Memel, Pillau, and Gdynia can probably be held open for supply traffic and submarine training with the means at hand. At present, icebreaker service is also required and is being maintained for the continuance of convoy and patrol service in the North Sea. Icebreaker service will shortly be required in the vicinity of Utoe. Icebreaker aid might also become necessary in the central and western Baltic Sea, including the Kaiser Wilhelm Canal.

As concerns the question of defending the coast against enemy landings and stationing of personnel on the islands after they have been seized, Group North maintains that these are really the Army's problems.

However, in view of the Army's precarious position, it appears necessary that the Navy lend its support since it is interested in possessing the islands for its spring offensive. For further details concerning the problem and supplementary comments by the Commanding Admiral, Baltic Countries (see also War Diary 16 and 19 Jan.) as per 1/Skl 1549/42 Gkdos. and 1564/42 Gkdos. see War Diary, Part C, Vol. III. The Commanding Admiral, Baltic Countries reports that, according to available information, the Army will in no case be in a position to take possession of the islands in the near future since the necessary number of troops is not available.

V. Submarine Warfare

1. Enemy Situation:

Radio intelligence reports that a British vessel has been located 100 miles northwest of Tory Island. Additional ship disasters were reported. The steamers KING EDWARD, ORMINSTER, and BRONXVILLE are stranded. The U.S. steamer ONEIDA radioed an SOS from south of Reykjanes, stating that she is unable to maneuver. Along the American coast an abandoned steamer was sighted 40 miles north of Cape Hatteras, and a warning about a wreck was issued for the area south of the southern tip of Nova Scotia. In the coastal areas, the U.S. is using small dirigibles, so-called blimps, against submarines. They have a speed of 52 knots, an action radius of 2,000 miles, and are able to remain in the air for 50 hours. According to an intelligence report from Spain, the eastbound warships which had left Gibraltar for maneuvers have been sighted. Radio intelligence intercepted an incomplete message from Freetown that the steamer MONTE had sighted a submarine 900 miles southwest of Freetown. There are no German submarines in that area.

2. Own Situation:

Submarine U "123" (Lt. Hardegen) reports from the American East Coast that she had sunk altogether 8 ships totalling 53,360 GRT, among them the NORNESS, the MELAY, and the steamer CYCLOPS. For further reports on the situation see War Diary, Part B, Vol. IV.

Telegram 1616 informs the Commanding Admiral, Submarines about the departure of the Portuguese troop transport QUANZA on 20 Jan.

On 17 Jan. the Commanding Admiral, Submarines submitted the following operations plans:

(1) Submarines leaving their home bases:

a. U "94", "586", "587", and "588" are proceeding to the northern part of quadrant LC, where single ships and convoys were repeatedly observed during recent weeks.

b. U "352", "455", "578", "591", and "656", as well as U "132" are proceeding from Trondheim to the area west and south of quadrant OS 7841. Single ships and convoys are assumed to be in that area.

(2) The large submarines U "67", "129", "161", "156", and "502" are leaving for quadrants LA 20 and PR 20 between 19 and 25 Jan. A surprise attack on the presumably heavy traffic is scheduled for the new moon phase in February.

(3) Other submarines departing from western France are to serve as reinforcements and relief for groups "Paukensschlag" and "Ziethen", and for the relief of the 3 boats in quadrant HC.

The Naval Staff is pleased with the operations plan for the quadrants LA 20 and PR 20 which looks particularly promising, and informs the Commanding Admiral, Submarines that, for political reasons, it might be desirable to postpone the beginning of the operation until the results of the Rio Conference can be better evaluated. The Commanding Admiral, Submarines is therefore requested to report the latest possible date on which the submarines can be diverted from their approach route to a new operations area without wasting too much fuel.

VI. Aerial Warfare1. British Isles and Vicinity:

2 direct hits were scored on a chemical factory near Berwick during daylight reconnaissance operations. Night operations against ships were unsuccessful. The alternate targets Great Yarmouth and the radio station at Darsham were effectively attacked. Enemy planes raided the Emden-Borkum and Leer area. 50 high-explosive bombs and 500 incendiary bombs were dropped on Emden without causing particular damage. Night fighters shot down 4 of the attacking planes.

The Naval Staff considers the area west of the Hebrides and the North Channel between the latitudes of the Butt of Lewis and Malin Head up to the 200 meter depth line particularly well suited for the use of aerial mines against the British supply line. The aerial mines type F have but a small dip in that area, and enemy mine-sweeping operations are more difficult. This area has therefore been added to the ones in the vicinity of the British Isles in which mine laying is permitted. Copy of the corresponding letter 1/Skl I E 1328/42 Gkdos. to Commander in Chief, Air, with copies to Group West and the Commanding Admiral, Submarines in War Diary Part C, Vol. VI.

2. Mediterranean Theater:

Our air raids on Malta have again encountered strong fighter defense.

3. Eastern Front:

Raids by large numbers of our planes were directed against

the Feodosiya and Kerch areas and against unloading operations east of Izyum. Enemy forces in the areas of Sukhinichi, Toropets, Kholm, and Staraya Russa were successfully engaged. Additional operations near Kandalaksha against the Murmansk railroad.

VII. Warfare in the Mediterranean

1. Enemy Situation:

Western Mediterranean:

The ARGUS and the light forces of Force H held maneuvers east of Gibraltar. According to an intelligence report from Spain, 10 submarines were lying in Gibraltar on 19 Jan., among them several large ones. According to an Italian report, French troops paraded on 18 Jan. before De Gaulle in Gibraltar, and he announced that they would soon be sent into combat. According to a report from Lisbon, 12 British PT boats and numerous fighter planes were recently spotted in Gibraltar. There are rumors that U.S. warships are expected in Gibraltar.

Central and Eastern Mediterranean:

At 0945 2 cruisers, 6 destroyers, 4 submarines, 1 escort vessel, 8 merchant ships, one of them in dock, were spotted in Valletta. This constitutes an increase by 3 merchant ships, apparently the 3 ships of the convoy from Alexandria, which had been reported on 18 Jan. and arrived on 19 Jan. (See War Diary 18 and 19 Jan.) Lively supply traffic protected by light escort forces was observed between Alexandria and Cyrenaica. According to radio intelligence, planes attacked a convoy 80 to 100 miles northwest of Derna and 1 British vessel north of Marsa Matruh. The cruiser group which turned back east on 19 Jan. has presumably arrived in Alexandria. Lively exchange of radio messages was observed between the 3 British forces at sea on 19 Jan. This has led to the conclusion that the British vessels encountered submarines or planes and might have suffered some damage. According to an Italian report 2 cruisers, 8 destroyers, 6 submarines, 4 mine sweepers, and 12 sea-planes were riding at anchor in Jaffa on 19 Jan. An Australian motorized brigade is said to be embarking in Jaffa for transfer to Egypt.

2. Situation Italy:

The Italian Admiral at the Naval Staff reports as follows:

a. Effective 12 Jan. 1942 the Italian naval forces have been set up as follows:

1st Squadron:

9th Division: Battleships LITTORIO and VITTORIO VENETO.

3rd Division: Cruisers GORIZIA, TRIESTE, TRENTO, and BOLZANO.

The destroyer formations assigned to the squadron are the 1st, 7th, 10th, 11th, 12th, 13th, 14th, 15th, and 16th Flotillas.

2nd Squadron:

5th Division: Battleships DUILIO, DORIA, and CESARE.

7th Division: Cruisers EUGENIO DE SAVOIA, DUCA D'AOSTA, ATTENDOLO, and MONTECUCCOLI.
 8th Division: Cruisers GARIBALDI, DUCA DEGLI ABRUZZI, GIOVANNI DALLE BANDE NERE, and CADORNA.

b. At the same date Admiral Angelo Jachino was appointed Commander of the Naval Forces and of the 1st Squadron.

Admiral Carlo Bergamini was appointed second in command and chief of the 2nd Squadron. He also commands the 5th Division.

3. Transport of Supplies to North Africa:

Nothing to report.

4. Area Naval Group South:

Aegean Sea:

Enemy Situation:

The naval radio station on Chios reports that on 19 Jan. an unidentified ship of about 4,800 tons, presumably a warship, was observed entering Cheshme from the south.

Own Situation:

From 0343 to 0530 enemy air activity in the area Athens-Piraeus. No reports of damage have been received.

On the occasion of an inspection of Salamis, the Commanding Admirals, Aegean Sea and Group South explained to the Commanding General, Armed Forces, South in person on 9 Jan., and by telegram on 10 and 11 Jan., what difficulties are obstructing the supply transport operations under the command of the Commanding Admiral, Aegean Sea. The Italian Navy is unable to furnish the necessary vessels and escort forces for these tasks in addition to supplying Tripoli. In full awareness of the difficult situation in the Aegean Sea, the Commanding Admiral, German Naval Command, Italy confirms this emergency by explicitly stating on 11 Jan. that, according to directives from the Armed Forces High Command and the Commanding General, Armed Forces, South, safe conduct of supply transports to North Africa is the most vital task of the moment.

On the same day Group South briefly outlined the stipulated transport operations in the Mediterranean as follows:

a. By transferring the 164th Infantry Division, as well as shipping of materiel for the Army and the Air Force, Crete will have to be equipped in such a way that by the middle of March it can serve as an operations base without having to be resupplied for 2 months.

b. Supplies for Tripolitania and the protection of our positions in North Africa must be given priority.

c. Our only safe supply route from Trieste to Piraeus must be protected. Group South also proposed to withdraw at least so many forces from the supply service to Tripoli that the operations connected with Crete and the Adriatic Sea are sure of being carried out, even though the original schedule might have to be extended.

On 14 Jan. the Naval Staff informed the Commanding General, Armed

20 Jan. 1942

CONFIDENTIAL

Forces, South; the German Naval Command, Italy; Group South; the Commanding Admiral, Aegean Sea; and the Commanding General, Armed Forces, Southeast that it assumes that a decision concerning the above proposal of Group South will be forthcoming from the Commanding General, Armed Forces, South.

On 17 Jan. Group South submitted a supplementary report according to which the following additional operations have been ordered in the meantime:

- a. Transfer of 1 Italian division to Crete.
- b. Supply of Crete with all vital commodities for 2 to 3 months.
- c. Reinforcement of air defenses on Crete.

The Naval Staff has forwarded the corresponding directives from the Armed Forces High Command to Group South. Group South deducts from these directives that, despite repeated presentations of the facts in the past, higher authorities are not informed about the actual situation, or that they know of solutions which are unknown to the Group.

Group South further reports that the various operations are proceeding most unsatisfactorily.

On 20 Jan. the German Naval Command, Italy transmits a communication from the Commanding General, Armed Forces, South, according to which the Armed Forces High Command has decided that transport operations from southern Italy to North Africa will continue to have priority. Supply transports for Crete in the Aegean Sea are to be coordinated with transports of the 164th Infantry Division and will temporarily have priority over the latter. No additional forces will be made available for transport operations in the Adriatic and the Aegean Seas.

Copy of the telegram from the German Naval Command, Italy as per 1/Skl 159/42 Gkdos. Chfs. in War Diary, Part C, Vol. XIV.

In view of this decision, Group South requests that at least the construction of a sufficient number of naval barges and war transport vessels be ordered in the Italian area. The Group requests the Naval Staff to expedite the matter. Copy of the request as per 1/Skl 259/42 Gkdos. Chfs. in War Diary, Part C, Vol. XIV.

The request of Group South has been complied with in the meantime. On 19 Jan. the Naval Staff, Quartermaster Division informed the Group and the Commanding Officer, Supply and Transports, Italy, with copy to the Armed Forces High Command, Operations Staff, Navy, that, in addition to the 22 naval barges constructed in Varna, 48 barges will be made available for the southern and southeastern sectors of the area of Group South. Unfortunately, they will not be delivered until some time between June and Aug. 1942. 20 of these 48 barges will be assigned to the Aegean Sea. The Commanding Officer, Supply and Transports, Italy will receive 15 barges in addition to those 15 which will be completed between June and August 1942. It is also planned to transfer a small number of naval barges from Germany to the Black Sea via inland waterways and the Danube. Copy of order 235/42 Gkdos. by the Naval Staff, Quartermaster Division, Shipping and Transport Branch is in War Diary, Part C, Vol. XIV.

Black Sea:

Nothing to report.

Turkey:

According to the German News Agency (DNE), 1,000 tons of British goods have arrived in Mersina. This shipment included the first contingent of a total of 23,000 tons of railroad material which the British are to deliver to Turkey.

VIII. Situation East Asia1. Enemy Situation:

Nothing to report.

2. Situation Japan:

The Military Attache in Bangkok reports about the period from 15 to 19 Jan. as follows:

a. Burma: 1 reinforced company has occupied Tavoy. 2 divisions are engaged in operations against Rangoon. The loss of Japanese planes amounts to 9%. The Thai army is being threatened by Chinese troop concentrations at the northern frontier.

b. Malaya: The Japanese High Command intends to relieve the 2 spearhead divisions after the fall of Johore.

c. Luzon: Japanese troops who landed near Olongapo encircled the enemy's left wing.

d. Dutch East Indies: Japanese planes continued raiding Medan, Balik Papan, and the Australian air base on Amboina. Japanese planes also raided Rabaul and important points on New Guinea. Australian planes raided a Japanese base in the Caroline Islands.

e. Pacific Ocean: Carrier-based planes are said to have been responsible for sinking the 2 enemy submarines on 9 Jan.

f. Special Items: Reports concerning tactics for joint aircraft and destroyer operations against heavy naval vessels, which the Japanese Liaison Officer to the Naval Staff has submitted for the information of field headquarters, the Armed Forces High Command, and the Commander in Chief, Air Force, are contained in War Diary, Part C, Vol. V as per 1/Skl I t 1438/42.

IX. Army Situation1. Russian Front:Southern Army Group:

At the Feodosiya front enemy troops are tenaciously defending their new positions covering the Russian withdrawal. Enemy troops have penetrated our lines near Izyum and Lozovenka at the 17th Army sector, and north and south of Prokhozovka at the 6th Army sector. In the vicinity of Dolgoye enemy cavalry broke through our front in westerly direction and advanced behind our lines towards the south in the direc-

tion of Chigry. All other enemy attacks at the 1st Panzer Army, the 17th and 6th Army sectors failed.

Central Army Group:

Enemy troops were slow in following the withdrawing contingents of the 4th Army and the 4th and 3rd Panzer Armies. On the southern wing of the Army Group the troops occupying Toropets had to yield to strong enemy pressure. Enemy attacks at all other points were repulsed.

Northern Army Group:

Kholm and Staraya Russa are under strong pressure from enemy forces who have partly been reinforced by fresh troops. Enemy penetrations at the Volkhov sector were sealed off and attacks at that point, as well as at the Soltsy-Lake Ladoga sector, were repulsed.

2. Finnish and Norwegian Front:

The attack of the 4th Division at the Karelian Army sector is progressing successfully.

3. North Africa:

No reports have been received.

21 Jan. 1942

Items of Political Importance

France:

In an address to staff officers of the War Ministry, Darlan vigorously attacked the generally pessimistic estimate of the situation at the Eastern Front. A diplomatic report states that certain quarters in Madagascar are convinced that Vichy will surrender the island to the Japanese and that Anglo-American attacks will follow such action. The population is said to be strongly for De Gaulle.

Great Britain:

Churchill received an ovation when he appeared in the House of Commons. He proposed a 3-day public debate about the military situation during which the government, if challenged, would call for a vote of confidence. He declined to call a secret session. Concerning the situation in East Asia he declared that, while sharing the general concern about it, he is fully confident of a favorable outcome. He declared that, with the enemy knocking at the gates of India, constitutional reforms in that country are inopportune. One of the topics of the debate was the danger of a spreading typhoid epidemic in Europe.

South Africa:

In Johannesburg, 300 police officials were arrested for subversive activities.

Finland:

A report from the German Legation states that 80,000 men in the older age classes have been discharged from the service. 16% of Finland's population are in the service as compared to only 4½% in Italy.

U.S.S.R.:

Eden is said to have invited Molotov to London for conferences on Russian post-war claims. These claims are said to cover the following points:

1. Russia's only interest in Turkey or the Straits will concern free passage to the Black Sea for her merchant vessels.
2. Bessarabia and Bukovina are to be returned to Russia.
3. Revival of a strong Poland.
4. Incorporation of the 3 Baltic States into the Soviet Union.
5. Creation of a free and independent Finland, with boundaries to be determined by the extent of her present collaboration with Germany.
6. Russia will guarantee not to use Iran as a base for an offensive against Germany.
7. No Russian claims in Africa.
8. Recognition of British supremacy in the Mediterranean.

9. Russia will support any British policy designed to eliminate the possibility of northern France and North Africa being used as bases for an attack against British territory.

U.S.A.:

Secretary of State Hull declared that it is entirely possible that customs barriers between the U.S. and South America might have to be abolished, or at least temporarily suspended, in order to allow a free flow of North American goods into South America in the interest of Hemisphere Defense.

The Secretary of Labor reported that the present U.S. manpower pool amounts to 53,300,000, of which 41,000,000 can be employed in the production of war materiel whenever the situation requires. According to the report, only 5,000,000 workers are so far being employed in war industries. By the end of 1942 this number is expected to be raised to 15,000,000.

Brazil:

The German News Agency reports that the Brazilian Government has ordered the confiscation of all property belonging to Axis nationals or citizens of Axis-occupied countries residing in Brazil.

Indo-China:

The tension between the Japanese and French is slowly relaxing. French circles hope that Indo-China might be kept as the only European possession in the Southeast Pacific, perhaps as a colony. The changed situation in the Pacific is likewise said to have had no detrimental effect on relations between France and Chungking.

Japan:

In an address to the Diet, the Foreign Minister attacked Anglo-American accusations that Japan is conducting a racial war. He said that any attempt to drive a wedge between the Axis powers will prove unsuccessful. Russo-Japanese relations have been firmly established by the Neutrality Pact. A report from the German Embassy states that a divisional chief of the Information Ministry delivered a radio address in which he emphatically warned against undue optimism concerning the war in the Pacific. Victories over an unprepared opponent should not be turned into defeat through an underestimate of the Anglo-American war potential. The Japanese people must prepare themselves for many years of a lowered living standard because the newly acquired raw materials will be funneled into war industries rather than being manufactured into consumer goods.

The Protectorate of Bohemia and Moravia:

The previous Prime Minister has retained his post in the reorganized Cabinet. The new ministers are to effect a more rapid amalgamation with the Reich.

Conference on the Situation with the Chief, Naval Staff.

I. The Fuehrer has temporarily postponed publication of the special

report concerning submarine successes along the American East Coast, apparently under the influence of recent developments at the Rio Conference.

II. The Chief, Naval Construction Division reports that due to a mathematical error the newly built torpedo recovery vessels are not sufficiently stable. As a result, orders had to be issued that these vessels are to be used only for a limited range of assignments. The Chief, Naval Staff orders an investigation so that the persons responsible for this unforgivable, grave failure may be court-martialed.

III. The Fuehrer issued a directive that all heavy guns are to be equipped with a special device for putting them out of commission by means of explosives.

Special Items:

I. Preparedness of light naval forces. The Commander, Destroyers reports that the Naval Staff's order for speeding up completion of repairs on destroyer Z "28" would delay the recommissioning of destroyers Z "26", "30", and "31". After repairs on Z "28" have been completed, another 17 days will be required until the destroyer can be fully recommissioned, which means that she will not be ready for operations before 3 Mar. (See Telegram 2200.)

II. For the Naval Staff's directive prohibiting the use of moored influence mines as per instructions 1/Skl I E 1539/42 Gkdos. see War Diary, Part C, Vol. VI.

III. The Commander in Chief, Air Force submits to the Naval Staff and the Army General Staff a draft of orders for coastal batteries concerning training in the operation of anti-aircraft guns. These orders are based on a Fuehrer directive that coastal batteries installed in sectors which require greater anti-aircraft protection be equipped with additional heavy anti-aircraft guns.

For copy of the corresponding telegram as per 1/Skl 1684/42 Gkdos. see War Diary, Part C, Vol. X.

The Naval Staff, Quartermaster Division will take charge of further details

Situation 21 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

The Foreign Office forwards reliable information from the German Legation in Rome according to which the Anglo-American conferences of last week have resulted in the resolution that British and American positions in the Pacific shall be defended with all available means. The report states that remarks about a plan to concentrate for-

21 Jan. 1942

CONFIDENTIAL

ces in the Atlantic and the Mediterranean are solely intended for propaganda purposes.

The Naval Staff has always expected that Allied forces will have to be divided.

An agent in Canada reports that a large R.A.F. transport equipped with winter gear was scheduled to leave early in January.

The same source reports that large amounts of equipment for the Middle East are being shipped from Canada. 15 vessels carrying planes, tanks, and ammunition are said to have sailed via the Cape of Good Hope.

South Atlantic:

After a short stopover in Pernambuco the MEMPHIS, the destroyers DAVIS and WINSLOW, and the seaplane tender THRUSH departed on 16 Jan. The oiler CIMARRON is still in Pernambuco. The U.S. cruiser SAVANNAH and the British tanker ARNDALÉ sailed from Montevideo on 19 Jan.

Pacific Ocean:

The U.S. destroyer GOLDSBOROUGH sailed from Valparaiso on 19 Jan.

Indian Ocean:

A report from French sources supplementing previous ones concerning the easing of the blockade of Jibuti states that the gunboat D'YBERVILLE and 1 submarine have in the meantime supplied the colony with enough food for 4 to 6 weeks. While putting to sea, the gunboat exchanged fire with a British patrol vessel. Neither side scored any hits. Weekly courier flights via Athens are planned between France and Jibuti.

2. Own Situation:

According to a report from Spain, a British destroyer was the chief participant in the raid on Fernando Po. The Axis vessels are said to have been towed to Lagos.

For all blockade-runners proposed by Etappe Japan (see War Diary 19 Jan.) the latter urgently requests transmittal of reference points and radio identification codes not yet forwarded. The Etappe reports that the RIO GRANDE is scheduled to sail on 27 Jan., and requests confirmation that the plan for disguising the vessel as the British ship SALACIA once she has reached Cape Horn is feasible. (See Telegrams 1845 and 1855.)

II. Situation West Area

1. Enemy Situation:

The German News Agency reports that a British armed trawler has been destroyed by an explosion in the port of Gibraltar. Warships in the vicinity were damaged.

This report evidently refers to the same incident

which the French report of 18 Jan. attributed to a destroyer. (See War Diary 19 Jan.)

According to air reconnaissance, a westbound convoy of 11 steamers, 1 destroyer, and 2 patrol vessels was spotted off Lizard Head at 1450. A total of 24 large and medium-sized steamers and a few patrol vessels were located in Loch Ewe.

2. Own Situation:

Atlantic Coast:

On 19 Jan. a British submarine stopped a French trawler in quadrant BF 5539. On 20 Jan. a British reconnaissance plane circled over Brest between 1655 and 1713.

Channel Coast:

During an operation of the 4th PT Boat Flotilla against ships located off Dover (see War Diary 20 Jan.), PT boat S "52" unsuccessfully attacked a destroyer. A brief report states that according to observations by the Naval Direction Finder Detachment, Flanders the enemy is able to decipher our microwave messages. Microwave communications must be sharply limited. The Naval Communications Division will take charge of the matter. (See Telegram 1800.)

Battery "Grosser Kurfuerst" and battery 1/725 fired a total of 6 rounds at a vessel located off Dover without observation of effect.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Radio intelligence reports that at 2139 Dover informed a British vessel and the Chief, Motor Gunboats about indications that German PT boats are in the vicinity.

Own Situation:

The 1st Mine Sweeper Flotilla entered Den Helder at noon. At 1830 the 1st, 4th, and 5th Mine Sweeper Flotillas and the 5th Motor Mine Sweeper Flotilla departed for operation "Weichsel".

During the night of 20 Jan. enemy planes flew over the German Bight and raided Emden, causing slight damage. 4 of the attacking planes were shot down.

During the evening of 21 Jan. enemy planes raided Emden, Wilhelmshaven, and Borkum. Industrial plants and private buildings in Emden were damaged. The engine plant of the government shipyard was destroyed. A storage building on the Jade in Wilhelmshaven was destroyed. Naval anti-aircraft guns failed to shoot down any of the attacking planes.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

Submarine U "585" sailed from Kirkenes. There are no submarines left in the northern operations area.

On 17 Jan. submarine U "454" torpedoed a Russian patrol vessel north-northwest of Svyatoi Nos. The vessel broke in two and must be presumed to have sunk. The Commanding Admiral, Norway reports that the 8th Destroyer Flotilla cannot be transferred to German waters by the end of January. Destroyers Z "23" and "24" can only be fully repaired in a shipyard in Germany. Considering these circumstances, Group North recommends that, in order to save time, the destroyers proceed directly to German waters without stopovers at Kirkenes or Bodoe and Trondheim. (See Telegrams 1405 and 2054.)

The telegram from the Commanding Admiral, Norway to the Naval Staff and Group North concerning available replacements for subchaser and mine sweeper flotillas presents shocking proof of our shortage of vessels. Copies of the telegram have been forwarded to the Admirals, Arctic Coast, West Norwegian Coast, and North Norwegian Coast. For a copy as per 1/Skl 1680/42 Gkdos. see War Diary, Part C, Vol. IIA. A written opinion of the Naval Staff will follow.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

Ice conditions in the Baltic Sea approaches are becoming increasingly severe. The situation of ships icebound in Irbe Strait, as well as that of the SCHLESWIG-HOLSTEIN and the CASTOR, is unchanged.

The 4th transport group of the 7th Mountain Division has arrived in Hangoe.

The Commanding Admiral, Baltic Countries reports the receipt of a message from the Northern Army Group on 20 Jan. stating that no forces whatsoever are available for seizing the islands of Seiskari, Lavansaari, and Tytaersaari. Neither can coastal defenses be effectively reinforced by Army troops despite the acute danger of enemy landings; nearly all security troops will have to be sent to the front. For this reason, the Northern Army Group considers it imperative that coastal defenses in the area from Luga Bay to Kunda be manned by the Naval Shock Battalion, and requests that the battalion be made available for this purpose.

The Commanding Admiral, Baltic Countries endorses the Army Group's request in view of the general situation. The Naval Shock Battalion cannot, however, be assigned until 2 or 3 weeks from this date because the men will have to undergo specialized training. Copy of the corresponding telegram as per 1/Skl 1699/42 Gkdos. in War Diary, Part C, Vol. III.

V. Submarine Warfare
1. Enemy Situation:

Army radio intelligence reports that transports "Zn" and "Zt" from Reykjavik had not arrived in Aberdeen by 21 Jan. The

same source confirms the sinking of transport "Wc".

The British Admiralty announced the loss of patrol vessels HENRIETTE and IRVANA. Radio Daventry broadcast a report from the captain of the British submarine TALISMAN about an engagement in the eastern Mediterranean with a German submarine. The latter was sunk by gunfire after having fired 2 torpedoes, both of which missed their target. Subsequently, the captain of the TALISMAN claims to have sunk 1 enemy transport of 15,000 GRT and torpedoed 1 enemy destroyer.

Press reports state that the British tanker COIMBRA and the U.S. tanker ALLAN JACKSON were sunk. Radio intelligence reports that the following vessels were torpedoed: The Norwegian steamer WILLIAM HANSEN at an unidentified location; the Norwegian steamer ALEXANDRA HOLTZ south of Nova Scotia; the U.S. steamer WUVZ near Cape Race; and the British steamer MONTCALM in the vicinity of Halifax.

2. Own Situation:

For report see War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

In Loch Ewe a Ju 88 on a daylight mission sank a steamer of 6,000 GRT and a coal barge lying alongside her. During the night of 21 Jan., 20 of the 32 planes which set out on a mission to mine the Thames reached their target. The other 12 planes attacked ships. Enemy planes raided the Westerland, Husum, Stade, Osnabrueck, Muenster, and Emmerich areas. Emden and Bremen bore the brunt of the raids (see Situation North Sea). Air Force anti-aircraft guns brought down 1 enemy plane, night fighters accounted for 2. 1 enemy plane crashed and another one had to make a forced landing.

2. Mediterranean Theater:

2 planes of the X Air Corps raided R.A.F. Staff Headquarters in Cirene. Planes of the Air Commander, Africa effectively supported the beginning offensive of the German Africa Corps.

3. Eastern Front:

The Air Force supported the operations of all Army groups.

4. East Asia:

A Japanese report states that the British Spitfire has the upper hand in dog fights with Japanese fighter planes. For this reason, Japanese fighters will attack one Spitfire only in groups of 3 unless they are able to avoid aerial combat altogether.

VII. Warfare in the Mediterranean

1. Enemy Situation:

An Italian report states that of the destroyers which had left Gibraltar for maneuvers on 20 Jan., 3 have failed to return. A third version of the explosion in Gibraltar on the evening of 18 Jan. has appeared in the form of an Italian report which states that a corvette was destroyed. The fire, which is said to have been caused by the explosion of a depth charge, allegedly spread to a subterranean ammunition dump and 2 patrol vessels. According to an intelligence report, British planes continuously reconnoitered the Spanish coast between Cape Sao Vincente and Cape de Gata on 20 Jan. An Italian agent reports that on 20 Jan. a cruiser and 2 destroyers of the Malta convoy service returned to Alexandria. The British fleet in Alexandria was ready to sail on 19 Jan., allegedly for escorting an important convoy which was to have passed through the Strait of Sicily.

2. Situation Italy:

Nothing to report.

The Italians have expressed their concern about the possibility of British landings to the west of our main line of resistance in North Africa. In reply to an inquiry by the Armed Forces High Command concerning landing possibilities on the coast of Italian North Africa, the Naval Staff states that during favorable weather conditions, i.e., moderate south winds, transports are able to anchor close to the coast and disembark troops in boats. Aside from a few narrow points, landings are feasible anywhere between Tripoli and Zlitene. For a copy of the detailed telegram 1/Skl I op 1656/42 Gkdos. see War Diary, Part C, Vol. XIV.

3. Transport of Supplies to North Africa:

As scheduled; no particular incidents.

4. Area Naval Group South:

Aegean Sea:

A twin-row, 300 m. long, German anti-torpedo net is being laid off Candia, replacing the Italian net. Weather permitting, the operation is expected to be completed by 24 Jan. On 20 Jan., enemy planes flew over Suda without dropping bombs.

Black Sea:

Enemy Situation:

Nothing new from radio intelligence and air reconnaissance.

Own Situation:

Intensified enemy air raids on Mariupol with unsuccessful bombing.

VIII. Situation East Asia

1. Enemy Situation:

The U.S. War Department reports that 6 U.S. Army Air Force

bombers attacked a Japanese cruiser and tanker in Philippine waters. The cruiser was allegedly sunk and the tanker left burning. The U.S. Navy Department reports the sinking of an unidentified enemy vessel of 5,000 GRT in a night attack by a PT boat. The Dutch Information Office in London reports that the Dutch Navy and Air Force scored the following successes between 13 and 16 Jan.: 2 enemy cruisers, 4 destroyers, 11 transports, 3 tankers, and 4 other vessels sunk. 3 cruisers, 3 transports, 1 aircraft carrier, and 3 other vessels badly damaged.

2. Situation Japan:

No special reports were received from the Attaches. Japanese Headquarters reports that during aerial fighting over the eastern coast of Malaya on 18 Jan. 15 British planes were destroyed with a loss of 2 Japanese planes. Domei reports that 20,000 men of 2 British motorized divisions were driven back by Japanese advance elements which advanced on the road leading to Singapore and penetrated into Batu Anam on 19 Jan. The western and eastern Japanese columns joined near Kuala Lumpur on 19 Jan.

IX. Army Situation

1. Russian Front:

Southern Army Group:

The situation in the Crimea remains unchanged. Bad weather prevented air operations. At the 17th Army sector enemy forces succeeded in widening the breach in our lines near Izyum. At the 6th Army sector our troops closed the gap near Byelgorod. Enemy cavalry and infantry poured through the breach in our lines near Dolgoe, advanced about 40 km. to the west and then turned north.

All other attacks at the 17th and 6th Army sectors were repulsed.

Central Army Group:

The withdrawal of the front lines of the XLVI and LVI Army Corps into the general line Mozhaisk-Mikshino is proceeding as planned. Heavy enemy pressure, particularly on Staritsa and the vicinity of Rzhev. The XXIII Army Corps withdrew according to plan. All other attacks were repulsed.

Northern Army Group:

Our troops held their positions near Kholm and Staraya Russa. The enemy is increasing his pressure on the points north of Lake Ilmen near Yamno where he has penetrated our lines.

2. Finnish and Norwegian Front:

Situation unchanged.

3. North Africa:

The motorized forces of the German Africa Corps launched a concentric attack against the enemy troops who had stopped to await supplies. The defeated enemy escaped encirclement by a hasty withdrawal. The enemy forces are expected to continue their withdrawal

21 Jan. 1942

CONFIDENTIAL

in northeasterly direction during the night of 21 Jan. Our own forces reached the line Gefeira-Bilal-Nogre. Waves of our planes successfully supported the offensive. A further advance in northeasterly direction is planned for 22 Jan. in order to cut the enemy's communications which are running through Agedabia.

General Rommel's most gratifying success has more than military significance under present circumstances.

22 Jan. 1942

Items of Political Importance

Great Britain:

Churchill's efforts to have his address on the military situation broadcast while he was delivering it in the House of Commons failed due to the tenacity with which the British Parliament clings to even its most petty prerogatives. Now, Churchill will have to go to the trouble of repeating his speech.

Eden reported that the typhus epidemic is spreading not only in Russia but also in southeastern Europe. The First Lord of the Admiralty, Alexander, announced that the documents about the loss of the two battleships on the Malay coast are being studied to determine whether court martial proceedings are to be initiated.

The announced lowering of sugar and fat rations by 1/3 and 1/5 respectively, became effective on 13 Jan. Considerable cutbacks in textile allotments have also been forecast.

Australia:

Prime Minister Curtin declared China's views concerning the Pacific deserve serious consideration. Should China sign a separate peace, it would logically follow that Russia will lose interest in the Pacific war.

Spain:

The position of Serrano Suner can by no means be considered secure, particularly since the well known General of the Spanish Air Force, Kindelan, recently made an acrimonious attack on him in public. A report from the German Embassy states that the post of the Spanish Ambassador in Rome, which significantly has been vacant for a long period, apparently is being held in reserve for him.

The Fernando Po incident has not yet been settled. There is justified suspicion that Spanish middlemen were involved.

Sweden:

It is interesting to note the recent declaration by the Foreign Minister to the effect that there is one exception to Sweden's strict neutrality, namely Finland. This attitude is based on the traditional antagonism between Sweden and Russia and is at this time being shared by all political parties.

Turkey:

An interview of the U.S. Ambassador in Ankara, McMurray, in which he declared that Soviet Russia actually intended to annex certain Turkish territories, has caused a considerable sensation.

U.S.A.:

The Commerce Department announced that the U.S. is responsible for having drafted the program for the Rio Conference according to which all trade barriers between the American countries are to be abolished. A uniform currency is also said to be included in the plan, and all

ships belonging to countries of the Western Hemisphere are to be put under the protection of U.S. naval forces.

Brazil:

A report from diplomatic sources states that authoritative German quarters have pointed out to the President and the War Minister of Brazil that a break of diplomatic relations would result in a state of war. The Japanese have submitted a note to the same effect.

Japan:

Tojo declared before the Diet that the Axis will continue the war until Great Britain and the U.S. have been forced to their knees. He said that Japan intends to transform the newly acquired territories in Hong-kong and Malaya into gigantic fortresses for the defense of the future Greater Asia. If the Dutch East Indies and Australia continue their resistance, Japan will ruthlessly eliminate those countries.

India:

The new President of the National Congress, Nehru, called upon the Indian students to follow the example of the British and Russian students and to do their part in the defense effort.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief, Naval Construction Division reports that the conference concerning the evacuation of Emden has taken place and that the outcome is entirely in line with the views of the Naval Staff.

II. The Chief, Naval Ordnance Division reports about the address by Minister Todt concerning the program of production standardization, the Fuehrer's very own idea, which will mobilize all the numerous unutilized domestic reserves.

Special Items

The Chief of Staff, Naval Staff has been ordered to Fuehrer Headquarters to hear the Fuehrer's opinion about the situation in Norway. On the basis of latest reports the Fuehrer is absolutely sure that Great Britain and the U.S. are bent on attacking northern Norway in order to bring about a decisive turn in the course of the war. He expects an early seizure of numerous points along the coast from Trondheim to Kirkenes, and a spring offensive supported by Sweden which has been promised Narvik and the ore deposits near Petsamo as a reward. The Finns have been assured independence within their pre-war frontiers.

The Fuehrer has positive proof of Sweden's willingness to participate in an Allied attack on Norway, and intends to do the following:

1. Publicize the Anglo-American plan and Sweden's attitude in newspapers throughout the world.
2. Appoint Field Marshal Kesselring Commanding General of the

22 Jan. 1942

CONFIDENTIAL

Armed Forces in Norway. Anglo-American control of the Sweden area will gradually preclude any freedom of movement in the Baltic Sea. Norway is the zone of destiny in this war. For this reason, the Fuehrer insists on unconditional compliance with his orders and wishes concerning the defense of this area.

The Army and the Air Force have been ordered to strengthen their forces in Norway. The Fuehrer demands that also the Navy exert the utmost efforts to nip the British plans in the bud. Naval vessels are to patrol the approach routes during non-flying weather. In case of an enemy landing all available naval forces are to be committed to the defense of Norway at the expense of operations in all other theaters except the Mediterranean. The Fuehrer demands that each and every vessel be employed in Norway. He approves of the Naval Staff's plans for the use of battleships, pocket battleships, heavy cruisers, light naval forces, and PT boats; he insists on intensified submarine operations. The Fuehrer shares the opinion of the Naval Staff concerning the improbability of an enemy landing in western France. The Fuehrer also demands an investigation into the possibility of using light cruisers, auxiliary cruisers, and a larger number of auxiliary vessels for reconnaissance purposes in Norway. In addition, he orders substantial reinforcement of coastal artillery.

The Fuehrer expressed his deep concern about the possibility that events in northern Norway might have catastrophic consequences, repeatedly emphasizing the need for utmost speed and extreme measures.

On the subject of oil, which the Chief of Staff, Naval Staff pointed out as being a particularly critical item, the Fuehrer had nothing to say.

For a copy of the preliminary report by the Chief of Staff, Naval Staff about the conference during which the Terboven matter had also been settled in accord with the wishes of the Naval Staff see War Diary, Part C, Vol. IIIa.

II. Group West informs the Naval Staff, the Commanding Admiral, Battleships, and the Commanding Admiral, Defenses, West about the dispatches forwarded to Group North and the Fleet Command concerning dates of transfer of defense forces in home waters and their ultimate positions in the western area. The 5th Destroyer Flotilla is to proceed to Brest on 24 Jan., the remaining destroyers are to proceed to La Pallice on 1 Feb. The 3rd Torpedo Boat Flotilla will proceed to Rotterdam on or about 5 Feb., from which point it will later on proceed to Calais. The 5th Torpedo Boat Flotilla will sail for Flushing on or about 8 Feb. Copy of the telegram as per 1/Skl I op 166/42 Gkdos. Chfs. in War Diary Files "Mandarine".

In view of the position taken by the Commander, Destroyers (see War Diary 21 Jan.), the Naval Staff cancels priorities for the completion of destroyer Z "28" so that repairs on other destroyers may be finished. (See Telegram 1616.)

Situation 22 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

The destroyer DEMIRHISSAR which was to be delivered to Turkey had to stop for temporary repairs at Ponta Delgada from 18 to 20 Jan.

South Atlantic:

An agent reports that on 3 Jan. a heavily escorted southbound convoy of 25 to 30 steamers entered Freetown.

Indian Ocean:

An agent reported to the Naval Attache in Istanbul that 8 to 10 large U.S. freighters are expected to arrive in Basra.

2. Own Situation:

For detailed information concerning enemy shipping in the Atlantic as supplied to Etappe Japan, and for navigation directives to blockade runners as well as for instructions concerning the use of arms also against small auxiliary cruisers as per l/Skl I k 1748/42 Gkdos. see War Diary, Part C, Vol. XI.

The Naval Staff replies to the inquiry by Etappe Japan concerning reference points and camouflage of the RIO GRANDE (see War Diary 21 Jan.), stating that reference points for the QUITO, BOGOTA, and WINNETOU are now available for the KULMERLAND and 2 other blockade runners because the former vessels are not to be used. The Italians will presumably take command of the FUSIJAMA. The Naval Staff designates the names and characteristics of the SALACIA, BIDEVIND, or MOKAMBO as a suitable disguise for the RIO GRANDE. For details see Telegram 2020.

Via Telegram 1818 the Naval Staff sends to ship "28" directives for the official trip of her captain and instructions to make sure that the ship will not become icebound in Gdynia. (See also directive to Group North in Situation Baltic Sea.)

Radiogram 1248 to ship "10" contains detailed information about the Norwegian, British, and Japanese whaling fleets and areas.

The Naval Staff agrees that the landing of agents from submarines in North America, Iceland, Ireland, and Liberia be arranged directly between the Intelligence Division, Armed Forces High Command and the Commanding Admiral, Submarines.

The Naval Staff Quartermaster Division reports that upon the captains' suggestions ship "28" will henceforth be known as auxiliary cruiser MICHEL and ship "23" as auxiliary cruiser STIER in keeping with Navy tradition. Reports about the enemy situation via Radiograms 1931 and 2217.

II. Situation West Area1. Enemy Situation:

Air reconnaissance spotted one convoy along the southern coast of Ireland and another one in the southern entrance to St. George's Channel.

2. Own Situation:Atlantic Coast:

With regard to the request of the Commanding Admiral, Battleships for cancellation of torpedo firing practice at sea (see War Diary 20 Jan.), the Naval Staff has decided that these tests which had been planned and prepared over a long period of time are to be carried out under all circumstances since they are of decisive importance to the entire future development of torpedo weapons. Group West is to investigate and to report whether the tests can be carried out off Brest under present mine conditions, contrary to the opinion of the Commanding Admiral, Submarines. (See Telegram 1414.)

Channel Coast:

During the evening the 2nd and 6th PT Boat Flotillas executed a torpedo mission east of Great Yarmouth. The 4th PT Boat Flotilla operated south of Brighton and returned without having scored any success. The 6th PT Boat Flotilla turned back because of bad weather. No report has as yet been received from the 2nd PT Boat Flotilla. At 1715 the harbor defense vessel "32" was strafed by 2 enemy planes off Boulogne. Slight loss of personnel.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

In the afternoon, air reconnaissance spotted a northbound convoy of 40 steamers near Harwich. In the evening, radio intelligence intercepted a British report about a German PT boat 60 miles north-northeast of Lowestoft. An intelligence report from Spain states that a mine field has been laid 3 to 5 miles off Montrose.

Own Situation:

Operation "Weichsel" was executed according to plan during the night of 21 Jan. After its arrival in Hook of Holland, the 1st Mine Sweeper Flotilla reported that ice had damaged the propellers of all vessels. The flotilla will proceed to the shipyards in Rotterdam. The 4th and 5th Mine Sweeper Flotillas arrived in Hook of Holland; the 5th Motor Mine Sweeper Flotilla arrived in Den Helder. 3 vessels of the 14th Subchaser Flotilla are en route from Wesermuende to Flushing. 3 vessels of the 2nd Motor Mine Sweeper Flotilla are en route from Rotterdam to Dunkirk.

2. Norway:Enemy Situation:

Nothing to report.

Own Situation:

The PT boat operation had to be cancelled because of fog. Enemy planes raided the air base and the harbor of Kirkenes.

In compliance with the request by the Supply and Transportation Office

of the Armed Forces, Overseas, the Operations Section of the Armed Forces High Command, Operations Staff is releasing the rest of the vessels which are still being held in reserve for operation "Seelowe" for use in the accelerated shipments to Norway. (See Telegram 1940.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

Ice conditions in the Baltic Sea entrances, particularly along the west side of the Kattegat, have become even worse. The convoy which was to proceed from Aalborg to Oslo had to return to its port of origin. The patrol vessels in the southern Sound have been withdrawn. 5 patrol vessels are icebound. Shipping via the Laesoe channel has been discontinued.

The 6th transport group of the 7th Mountain Division has sailed from Stettin en route to Hangoe.

The Naval Staff directs Group North to investigate the possibility of transferring ship "28" to waters less apt to freeze, if necessary by making a change in the ship's schedule. According to original plans, the ship was to undergo training in the eastern Baltic Sea until 1 Feb., and was to be ready to sail on or about 7 Feb. after taking on the rest of her equipment in Gdynia. (See corresponding directive to ship "28" via Telegram 1817.)

V. Merchant Shipping

At the end of 1941 the Spanish merchant fleet consisted of 910 vessels totalling 1,159,228 GRT. Of this total, 600 were small-size vessels. Many of the vessels are obsolete. About 150,000 GRT are permanently in use for shipments across the Atlantic, which means that in the case of her entry into the war Spain must expect a loss of 50,000 to 60,000 GRT. At the moment, the fleet cannot be expanded as planned due to the limited capacity of the Spanish shipyards and lack of sales offers from abroad. Spain has the largest fishing fleet in the world. For a detailed report on the Spanish merchant fleet and its operations at the end of 1941 see No. 2/42 of the Report Series of the Naval Intelligence Division, Foreign Merchant Marine Branch.

VI. Submarine Warfare

1. Enemy Situation:

Radio intelligence reports that the British Admiralty issued submarine warnings for several sea areas along the eastern coast of the U.S. and Canada. A number of lightships were withdrawn from these areas and the marker buoys were changed. The U.S. steamer WUVZ which had been reported torpedoed 4 miles off Cape Race (see War Diary 21 Jan.) was reported to have still been afloat at 0415 trying to reach the nearest harbor. The motor tanker ATHELROWN (11,999 GRT) was reported to have been torpedoed approximately 450 miles west of Cape Race. Towards noon, a vessel was observed between the Faroe and Orkney Islands.

An Italian report states that the British transport LLANGIBBY CASTLE is lying in Horta, badly damaged. According to an intelligence report, the vessel sustained simultaneous hits of an aerial torpedo on her bow and a submarine torpedo astern while on a troop-carrying mission out of London. 27 men are said to have been killed and 25 wounded.

According to an Italian report, the destroyer HESPERUS has taken 37 men from a sunken German submarine to Gibraltar. An unconfirmed intelligence report states that another 30 men from another submarine have likewise been taken to Gibraltar.

2. Own Situation:

A submarine operating off Newfoundland reports having sunk 3 ships totalling 18,000 GRT, as well as the probable sinking of a patrol vessel. Another submarine belatedly reports having sunk a tanker of approximately 10,000 GRT on 16 Jan. about 400 miles southwest of Cape Race. A submarine en route to her operations zone sank a steamer of 9,000 GRT in the central North Atlantic. For a detailed situation report see War Diary, Part B, Vol. IV.

The Commanding Admiral, Submarines is being authorized to dispatch the third submarine to the Mediterranean at any time prior to the new moon phase in February.

VII. Aerial Warfare

1. British Isles and Vicinity:

A convoy which had been located in the southern part of St. George's Channel was unsuccessfully attacked. A 5,000 GRT steamer was presumably sunk in the latitude of the Humber River. Our planes raided Great Yarmouth, Ralmonth, and the radio station at Orfordness as alternate targets. 32 enemy planes raided Germany. They dropped a total of 80 to 90 high-explosive bombs, scattering their attacks over the Heligoland, Emden, Oldenburg, Muenster, Duesseldorf, and Venlo areas.

2. Mediterranean Theater:

For reconnaissance observations see Enemy Situation, Warfare in the Mediterranean.

3. Eastern Front:

Strong and concentrated air operations at the sectors of the Southern, Central, and Northern Army Groups. In the far north our planes raided installations of the Murmansk railroad and troop barracks near Kandalaksha.

VIII. Warfare in the Mediterranean

1. Enemy Situation:

Photo reconnaissance of Malta revealed 2 light cruisers, 6 destroyers, 7 submarines, and 7 merchantmen.

Photo reconnaissance of Alexandria revealed 2 British battleships, one of which was in dock, 1 heavy cruiser, 2 light cruisers, 3 destroyers, and 5 other naval vessels. The French vessels were at their previous locations. Air reconnaissance spotted no naval vessels or convoys at sea. Radio intelligence intercepted a British reconnaissance report addressed to Malta about the presence of a southbound battleship, 3 destroyers, and 2 other vessels in the central Mediterranean.

2. Situation Italy:

The convoy operation began in the afternoon of 21 Jan., as scheduled. The 2nd transport group comprises 4 motor ships and 8 destroyers. The escort group is made up of 1 battleship (DUILIO), 3 cruisers, and 8 destroyers.

For the report from the Naval Attache in Rome concerning personnel changes in high Italian Army positions see Telegram 1040.

The German Naval Command, Italy endorses the proposal by the Commander, Submarines, Italy concerning the transfer of the submarine flotilla from Salamis to Pola, and suggests that shipyard facilities in Salamis which will become available in case of such a transfer be put at the disposal of the Italians (see Telegram 1150).

3. Transport of Supplies to North Africa:

No reports of particular interest have as yet been received from the 2nd Transport Group. The steamer ATLAS is on her scheduled voyage to Tripoli. The steamer BENGASI is bound for Taranto, from which port she is scheduled to sail for Tripoli. Naval barges engaged in coastwise shipping out of Tripoli encountered no enemy interference.

4. Area Naval Group South:

Aegean Sea:

Convoy operations to Crete and Salonika proceeded according to plan. The Turkish steamer CURTULUS ran aground in the Marmara Sea and sank with a cargo of food for Greece.

Group South reports that the Commanding General, Armed Forces, Balkans is emphatically supporting the Group's demand for an increase in tonnage and escort forces for the Aegean Sea and more frequent use of the route from Trieste to Piraeus via southern Italy.

Black Sea:

Enemy Situation:

Radio intelligence located a total of 10 westbound submarines in the Feodosiya area as well as the battleship PARIZHSKAYA KOMUNA south of Sudak. The latter was communicating with the submarines by radio.

Own Situation:

According to a report from the Naval Liaison Officer to the Army High Command, the Army General Staff sent the following telegram to the Armed Forces High Command, Operations Staff on 21 Jan.:

On the basis of Crimea's importance for future operations against

the Caucasus and its value to the Russians as a base for air raids on Rumania, as well as in view of the Russian fleet's interest in Sevastopol, renewed Russian attempts to land forces on the Crimea must be expected once the fighting on the peninsula has ceased. It will therefore become necessary to coordinate operations on the Crimea under a unified command. For this reason, the Army High Command requests the appointment of a naval commander for that area, who should be put under the authority of the 11th Army Command and be made responsible for the construction of coastal defenses by the Navy. (See Telegram 1815.)

IX. Situation East Asia

1. Enemy Situation:

The Japanese Air Force in the Rangoon area received an additional 10 bombers. U.S. air raids were directed against Menado. The Australian Air Ministry reports that about 100 Japanese planes, some of them carrier-based, raided Rabaul on 20 Jan. A small merchantman was set afire, and dock installations and air raid shelters were damaged. Three of the attackers were shot down at a loss of 6 Australian planes. On 21 Jan., Japanese planes attacked places in the Bismarck Archipelago and on the northern coast of New Guinea. Batavia reports a Japanese air raid on Medan (Sumatra) on 20 Jan. A press report states that the Japanese midget submarine which was found in Pearl Harbor has been taken over by the U.S. Navy.

2. Situation Japan:

The Military Attache in Bangkok reports that the northern Japanese column crossed the Burmese frontier near Mesed on 20 Jan. The Japanese Air Force was reinforced by 50 Navy long-range bombers. Night raids on Rangoon were launched from the air base at Tavoy. 45 planes raided Singapore in 4 waves. Press reports alleging that the Japanese have already entered the city of Johore are false. Operations against Singapore are scheduled to proceed as follows: Wait until the columns on Malaya which are marching south have consolidated in the southern part of the province of Johore. Move up heavy artillery. Land marines and occupy the islands south of Singapore. Have the Japanese Navy blockade the sea coast and then demand the surrender of the fortress. If the demand is rejected, an attack will be launched.

X. Army Situation

1. Russian Front:

Southern Army Group:

Fighting on the Crimea near Sudak where an enemy group has landed. Enemy artillery activity at the 1st Panzer Army sector, particularly on the left wing. Our troops repulsed the concentrated enemy attacks against the entire front of the 17th Army which were supported by tanks and lasted throughout the day. The enemy succeeded in breaking through our lines between our strongpoints near Izyum. All enemy attacks at the 6th Army sector were repulsed. The enemy cavalry contingents which had broken through the lines of the 2nd Army near Dolgoye

22 Jan. 1942

CONFIDENTIAL

are standing in the vicinity of Kossorozha. New enemy attacks north of Dolgoye were repulsed in temperatures as low as -42° C.

Central Army Group:

Fresh enemy troops are moving up in the direction of Byelev. The battle for freeing the group near Sukhinichi from its encirclement is progressing successfully. At the 9th Army sector, the V Army Corps had to withstand strong enemy pressure. The 6th Infantry Division captured several villages in its counterattack aimed at closing the break in our lines southwest of Staritsa. Over 30 guns were captured. The attack of the XXIII Army Corps in the direction of Rzhev progressed satisfactorily. Enemy troops continued to press strongly in the direction of Toropets.

Northern Army Group:

Enemy attacks on Kholm and Staraya Russa were repulsed. The enemy succeeded in breaking through the lines of the 215th Infantry Division.

2. Finnish and Norwegian Front:

The situation remained generally unchanged.

3. North Africa:

On 22 Jan. the enemy continued to flee in the direction of Zauiet Msus and Soluch. Our troops continued to pursue them. At 1000 they captured Agedabia, at 1800 Saunnu and Antelat. Waves of our planes successfully attacked the retreating enemy columns. On 21 Jan. 26 tanks and armored reconnaissance vehicles, 47 guns, and more than 100 motor vehicles were either destroyed or captured. The tactical group of the General Staff of the Panzer Group Africa is in Agedabia.

25 Jan. 1942

Items of Political Importance

Great Britain:

During the debate in the House of Commons on the organization of air-field defenses, Sinclair declared that the main task to be performed by the Army is not defense but rather preparation for an offensive on the Continent.

After Churchill has delivered his report on his U.S. trip, the Government will ask for a vote of confidence in the House of Commons. The British press discusses in detail the question of a partial reorganization of the Government.

Spain:

Reports from foreign sources state that Franco has reduced Suner's powers by taking over personally control of the colonies, including Morocco.

South America:

Reuter publishes a declaration by the nations participating in the Rio Conference which is to be considered as the basis for their joint action. It contains the following points:

1. The obligation to consider any act of aggression by a non-American against an American country as an act of aggression against all the countries of the Hemisphere.
2. The pledge of unified defense against such acts of aggression.
3. As a result of the above, a statement that it is impossible to maintain diplomatic relations with the aggressor powers Japan, Germany, and Italy.
4. The pledge not to reestablish these diplomatic relations except by unanimous resolution.

According to other reports this declaration has not yet been formally accepted. Argentina and Chile are said to have suggested some slight changes. For further details on the Rio Conference see Political Review No. 19, Paragraphs 4b and 5.

Conference on the Situation with the Chief, Naval Staff

The Chief of the Foreign Affairs Section of the Naval Staff, Operations Branch reports about a French request to stop dismantling the aircraft carrier JOFFRE, the construction of which had begun in St. Nazaire prior to the campaign in France. The French are asking for permission to continue construction of the vessel at their own expense. The carrier is to be used by the future French Navy "because she is an important component of the European post-war fleet".

The question has highly political implications. Upon the suggestion of the Naval Staff, the Chief, Naval Staff decides that permission for

23 Jan. 1942

CONFIDENTIAL

continued construction is out of the question for the time being but that the French Navy's request to stop dismantling the vessel can be met while awaiting the future course of Franco-German relations.

Special Items

Captain von Puttkamer reports during the afternoon that the Fuehrer has been very pleased with the increasing number of sinkings along the U.S. coast. After asking how many submarines are operating in that area, he expressed the wish to leave them at their stations for an indefinite period.

The Chief of Staff, Naval Staff observes that this wish of the Fuehrer, which deviates considerably from the orders which he issued to the Chief of Staff, Naval Staff on 22 Jan. (see War Diary 22 Jan.), is significant.

Situation 23 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Special Items:

Radio Intelligence Report No. 3/42 published by the Chief Naval Communications Division (Radio Intelligence) contains a compilation of enemy messages intercepted and deciphered by radio intelligence.

North Atlantic:

Great Britain's efforts to ship troops, materiel, and supplies to the widely scattered theaters of war are being revealed in two significant, detailed intelligence reports. The earlier of the two reports, dated 4 Jan., is still based on the assumption that all dispensable forces in the British Isles, the Near East, and even those in India, will be withdrawn and used in the defense of Singapore, Malaya, and Burma. The later report, dated 16 Jan., speaks of a sudden change of plans which seems to indicate that Singapore and Burma might be abandoned in favor of a strong concentration of forces in India.

The earlier report states in particular that the use of ships for the withdrawal of troops from Iraq, Iran, and India has resulted in such a drop in supply shipments to the Near East that Britain is temporarily forced to fall back on her depots in Syria. Most of the better Indian troops (Sikhs, Gurkhas) are being sent to Burma, while the troops from southern India are being used for the defense of Singapore and Malaya. The withdrawal of white troops from India has reached such proportions that not one white soldier can be found in several of the provinces. Of the 4 British Divisions originally stationed in India only one remains; it consists of 10 batteries and 1 artillery regiment stationed in northern India and Iran. One of the divisions which have been withdrawn is now in Libya, another one was in Abyssinia and is now partly operating in Libya, partly being shipped to Singapore. The third division is likewise being withdrawn from India and en route to the East. The police, however, has been reinforced all over India. The majority

23 Jan. 1942

CONFIDENTIAL

of the troops are being transferred to Burma, not to Singapore. The British hope to fill the vacuum in India with troops from the British Isles. Copy of the report in War Diary, Part C, Vol. XV as per A Ausl/Ab. I M/ W/N/D No. 11639/42 geh. The report dated 16 Jan. states that about 50 transports and ships will leave ports in western England even before the end of January, presumably in 2 very heavily escorted convoys. The following vessels are detailed as escort forces: RAMILLIES, VICTORIOUS, cruisers MAURITIUS and MANCHESTER, anti-aircraft cruiser CAESAR, 1 vessel of the ABDIEL-class, other unnamed cruisers and many destroyers and escort vessels. The VICTORIOUS was riding at anchor in Loch Belfast on 11 Jan. According to the statement of an embarkation officer, the first convoy will be routed to St. Helena via the waters west of the Azores. Gibraltar will not be a port of call.

No specific information is available concerning the troops to be embarked. So far, however, most of them are said to be technical units. Both convoys will probably sail on 24 Jan.

According to information from British Headquarters of 13 Jan., embarkations from ports in India to Singapore and Burma are said to have suddenly been stopped. Transports coming from the Near East are said to have been rerouted from Iraq and Nile ports to Bombay, Calcutta, and Madras. Copy of the report in War Diary, Part C, Vol. XV as per 1/Skl 2986/42 geh.

The reports furnish no clue as to whether the sudden change of plans had become necessary because it was considered too risky to leave India without white troops, or because Singapore and Burma were given up as lost even before the curtain had fallen on the last act. There is, of course, the possibility that the reports were deliberately misleading and addressed to the enemy intelligence services. Be that as it may, the reports cannot hide the precarious situation of Great Britain resulting from the war in East Asia. They substantiate doubts as to whether these circumstances will permit Britain to muster enough transports and troops to launch, in the near future or within a reasonable time, a major offensive against northern Norway (perhaps western France, or even both) with sufficient promise of success. One must not forget that any substantial participation of U.S. forces, or even a simultaneous operation against the Atlantic islands and West Africa, will render the transport problem all the more difficult to solve. It is understood that the above considerations must not let one forget that the enemy might do what appears impossible, particularly in view of the extremely precarious position in which we find ourselves as the result of the Eastern campaign. Resolute and daring men like Churchill and Roosevelt will no doubt be greatly tempted to take advantage of what must look to them like a particularly opportune time for striking at us. We should be all the more watchful because it is by no means impossible that the strikingly detailed information of our agents can be attributed to a deliberate attempt by the enemy to mislead us in order to divert attention from operations in other theaters, namely northern Norway.

South Atlantic:

According to a report from the base of the Italian airline

Lati in the Cape Verde Islands, 1 heavy and 1 light cruiser as well as 1 submarine and 1 transport were located in the vicinity of the islands on 22 Jan. (See Telegram 2030.) An agent reports from Horta that a cable layer has departed for England. It is not clear whether this ship is identical with the MIRROR which had been mentioned as lost in one previous dispatch. The U.S. cruiser MEMPHIS and the destroyer BALCH called at Bahia on 21 Jan.

On 21 Jan. the French reported a northbound British convoy off Dakar.

Indian Ocean:

An Italian report states that during the middle of January a northbound convoy of 25 steamers left Durban with troops and materiel.

2. Own Situation:

Etappe Japan has forwarded a survey of all Axis vessels in Japan. Copy in War Diary, Part C, Vol. XI as per 1/Skl 1873/42 Gkdos.

The Attache in Tokyo reports that the Italian Naval Attache in Tokyo has not been informed about the mission of the FUSIJAMA, and that the Italian Navy must notify him immediately because the ship has to leave Yokohama at once if she is to arrive at her home port in time to be able to take on cargo in Dairen early in February. (See Telegram 2203.)

According to a report from the Naval Attache in Tokyo, the Japanese Navy has promised to furnish the requested quantity of Diesel oil for blockade runners provided the military situation continues to develop favorably. At the same time, however, it advises the German Navy to ship at least half of the required quantity from Germany. The Naval Attache requests permission to dispatch the WINNETOU despite these circumstances. (See Telegram 1655.)

Reports about the enemy situation via Radiograms 0701, 1524, and 1846.

Amended sailing orders for motor ship TANNENFELS may be found in War Diary, Part C, Vol. XI as per 1/Skl I k 157/42 Gkdos. Chefs.

II. Situation West Area

1. Enemy Situation:

From Start Point to Land's End air reconnaissance located patrol vessels equipped with barrage balloons.

2. Own Situation:

Atlantic Coast:

After the Quartermaster Division had made appropriate arrangements with the Naval Construction Division, the Naval Staff approved the request of the Commanding Admiral, Battleships to leave a sufficient number of workers in the Brest Navy Yard until operation "Torero" has been executed, and to insure that enough labor is available upon the arrival of the defense forces which will undoubtedly be in need of repair.

Channel Coast:

A brief report by the 2nd PT Boat Flotilla about its torpedoing mission during the night of 22 Jan. may be found in Telegram 1942. The steamers of the convoy could not be attacked because of heavy seas. During an attack on the last destroyer, one of the torpedoes fired by PT boat S "39" was a surface runner, and another one missed. Torpedo failure on PT boat S "108". Both boats were pursued by destroyers and started on their return voyage when the winds became stronger. Ice had begun to form on the boats even on their outbound voyage and became so heavy on the way home that none of the weapons could be used. The Commander, Torpedo Boats reports that he is investigating why the failures occurred and whether it is possible to have the advisability of such long-range PT boat operations reconsidered. (See Telegram 1500.)

The Intelligence Division reports that the Intelligence Office, Netherlands, in cooperation with the Security Police, has succeeded in uncovering the largest resistance and espionage organization in the Netherlands and its auxiliary organizations. Timely arrests of the ringleaders and their collaborators (136 persons) smashed the organization and prevented a huge amount of intelligence gathered from falling into the hands of the enemy.

III. North Sea, Norway, Arctic Ocean1. North Sea:

The 3rd Motor Mine Sweeper Flotilla consisting of the VON DER GROEBEN and 6 vessels has sailed from Hook of Holland en route to Boulogne. The 5th PT Boat Flotilla and the 8th and 5th Motor Mine Sweeper Flotillas departed on special missions which had to be called off due to bad weather.

2. Norway:Enemy Situation:

Reconnaissance observations by our submarines and planes reveal that shipments to Archangel have nearly ceased. A few ships are still sailing to Svyatoi Nos, convoys proceed almost exclusively to Murmansk. The convoys approach the Murmansk coast from the north, converging on Semioostrovskoye, and turn into the channel between the mainland and Kildin Island off Cape Teriberski. No more direct traffic on north-easterly courses was observed between Kola Bay and the open sea. For the corresponding report from the Admiral, Arctic Ocean see Telegram 1230.

The movements of British naval forces in the Arctic Ocean which radio intelligence intercepted indicate that the enemy is constantly patrolling that area. Since the protection of British convoys would have little meaning at the present time it must be assumed that the operations of British forces are designed against our own shipping.

Own Situation:

The foray of the 8th PT Boat Flotilla into the Gulf of Motovski had to be interrupted because of bad weather. Mine sweeper M "1503" reports a submarine chase off Nordkyn and probable damage to the pursued enemy submarine.

The Admiral, Arctic Ocean intends to combine submarines U "584" and "585" which are leaving on 24 and 25 Jan. respectively as group "Umbau" to operate against recently located enemy ships north of Semioostrovskoy (see Enemy Situation).

The Admiral, Arctic Ocean reports that only 4 PT boats and 4 submarines are available for operations in the Arctic Ocean now that the 8th Destroyer Flotilla has been transferred. PT boat operations are very much dependent on weather conditions. Only one brief foray has been possible so far. Sufficient experience is still lacking concerning possibilities for operating in this area. At best, only 2 of the available submarines can be stationed in the operations zone at one time; repairs necessary on submarine U "454" have reduced the number of available submarines to 3. In view of recent evidence proving that successful operations are possible, as well as in consideration of the shortage of other offensive forces, the Admiral, Arctic Ocean considers an increase in the number of submarines particularly urgent and points to the deterring effect which a sufficient number of submarines might have on enemy landing plans. Furthermore, the Admiral, Arctic Ocean considers it necessary that destroyers in operating condition, or at least torpedo boats, be assigned to his area in order to carry out offensive mining missions, to interfere with enemy supply shipments, and to escort valuable convoys. (See Telegram 1035.) Group North endorses the request concerning the increase in the number of submarines, while declaring the assignment of destroyers or torpedo boats to the Arctic Ocean as impracticable at the present time (see Telegram 2044).

Via Telegram 1515, the Naval Staff requests the Commanding Admiral, Norway to furnish a list of the vessels belonging to the patrol vessel, mine sweeper, and escort units in his area which cannot operate because of lack of fuel. The Quartermaster Division reports that, in view of the great risk involved in transferring a dock, complete or in parts, to northern Norway, the plan to make a floating dock available for destroyers in that area will definitely have to be given up.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

1. Enemy Situation:

Prisoners of war made statements according to which 8 Russian submarines had been shipped in wooden floating dry docks from the Gulf of Finland to the White Sea by way of the Neva river, Lake Ladoga, Svir River, Lake Onega, and the White Sea Canal during September 1941.

2. Own Situation:

Ice conditions continue to be critical. Only if the strongest icebreakers are assigned can the communication line between Norway and the Danish area be maintained. Group North proposes seizure of Swedish icebreakers.

Naval Station, Baltic recommends routing of shipments from the Baltic Sea to Norway and vice versa by way of the North Sea. The steamer RUHR (1,029 GRT) is reported to have been sunk by a mine on route 51 opposite Kollikerort. The patrol vessels which were icebound in the Kattegat have been freed. Ice conditions in the Great Belt forced the 11th Sub-chaser Flotilla which was proceeding to Norway to turn back.

V. Merchant Shipping

Up to this date, the U.S. has seized 160 Danish, Italian, Finnish, Estonian, and Norwegian vessels totalling 534,000 GRT. Sixty-one of these vessels, totalling 252,500 GRT, are sailing under the Panamanian flag. During the period ending 31 Dec. 1941 40 vessels carrying materiel and totalling 213,320 GRT have been spotted en route from the U.S. West Coast to Vladivostok. The 8 Central American countries, Costa Rica, Cuba, the Dominican Republic, Guatemala, Honduras, Mexico, Nicaragua, and Panama, have at the present moment 425 merchant vessels totalling 1 3/4 million GRT at their disposal. Great Britain is now importing 50% of the Brazilian ore exports. The remainder is being shipped to Canada and the U.S. Further information concerning foreign merchant shipping is contained in Brief Report No. 3/42 published by the Intelligence Division, Foreign Merchant Marine Branch.

VI. Submarine Warfare1. Enemy Situation:

A plane reported an attack on a submarine 300 miles west of Rockall Bank. Another submarine was reported in the waters off Reykjavik. The Norwegian tanker LEIESTEN (6,118 GRT) and another unidentified ship reported that they had been torpedoed about 400 miles east of Cape Race. Survivors from a torpedoed ship stated that their ship was sunk by a submarine in a daylight surface attack 60 miles southwest of Nova Scotia on 22 Jan. Furthermore, radio intelligence intercepted a message from the U.S. tanker VENORE (14,305 GRT) which was in the vicinity of Cape Hatteras and was urgently asking for help. East of Brunswick, the U.S. tanker PAN-AMOCO (9,927 GRT) was sending submarine sighting signals. The Spanish steamer NAVEMAR has been torpedoed between the Azores and Gibraltar. Investigations have been started to ascertain whether one of our submarines was involved.

2. Own Situation:

Report in War Diary, Part B, Vol. IV. Sinkings of enemy vessels along the American East Coast which have been reported up to now amount to more than 120,000 GRT.

VII. Aerial Warfare1. British Isles and Vicinity:

While on a daylight reconnaissance mission, our planes executed a surprise raid on a building development in Great Yarmouth and an airfield near Wick. Otherwise nothing to report.

2. Mediterranean Theater:

Our reconnaissance planes strafed a submarine approaching Malta. Enemy reconnaissance planes tracked the Italian Tripoli-bound convoy throughout the entire day. At 1630 one of our planes observed enemy planes bombing one of the vessels in the convoy. After 1700 our night fighters took charge of escorting the convoy and shot down 1 enemy plane; they were unable, however, to prevent a later aerial torpedo attack by 3 enemy planes during which the largest steamer of the convoy was sunk.

3. Eastern Front:

No reports of particular interest.

VIII. Warfare in the Mediterranean1. Enemy Situation:

According to an Italian report, the ship which had been destroyed by an explosion in Gibraltar on 18 Jan. was the patrol vessel DANDY OLGA. Two eastbound steamers and 2 destroyers were sighted west of Bizerte at 1000. An Italian report states that the French had not given notice of any ship movements on their part. Air reconnaissance spotted no enemy forces or convoys in the central and eastern Mediterranean. Radio intelligence intercepted the reports from the British planes which were shadowing the 2nd Transport Group. For details see Telegram 1900.

2. Own Situation:

Weather conditions prevented the 3rd PT Boat Flotilla from departing on its scheduled mine-laying mission off Malta.

3. Situation Italy:

No reports concerning undue incidents have been received from the convoy.

4. Transport of Supplies to North Africa:

Nothing to report.

5. Area Naval Group South:Aegean Sea:

Nothing to report.

Black Sea:Enemy Situation:

During the morning of 23 Jan. radio intelligence located 6 submarines escorted by 1 vessel in the area west of the southern tip of the Crimea, and in the afternoon 1 destroyer south of Yalta. At noon, reconnaissance planes spotted 6 steamers in Kerch, 12 smaller steamers in a bay south of Kerch, 13 smaller steamers in Kerch Strait and the Gulf of Taman. All these vessels were presumably icebound. One mine sweeper and 13 steamers were located in the harbor of Novorossisk.

For data on Novorossisk see News Series "Soviet Union, Naval Bases and Harbors, Black Sea" published by the Naval Intelligence Division.

Own Situation:

For the report from the 4th Air Corps about sinkings and destruction in the harbor of Feodosiya see Telegram 2345. The same report states that every day an enemy cruiser is shelling our lines from

Feodosiya Bay. A destroyer has been shelling the coast and our lines during the night, allegedly firing salvos from 3 guns at regular 15 second intervals over a period of 20 minutes. Army units in Stary maintain that in one particular instance they were being shelled by 30.5 cm. guns. Otherwise nothing to report.

IX. Situation East Asia

Press reports concerning the Japanese occupation of Rabaul on New Britain and a landing on the Solomon Islands have not yet been confirmed.

The Finnish Naval Attache in Tokyo reports that authorities there have no doubt about an imminent outbreak of hostilities between Russia and Japan. The Japanese are said to believe that in case of a crisis Turkey will adopt an attitude similar to that of Siam. They expect German submarines in the Mediterranean to step up their offensive.

X. Army Situation

1. Russian Front:

Southern Army Group:

The situation in the Crimea remains generally unchanged. The 1st Panzer Army repulsed local enemy attacks. By employing its last reserves, the 17th Army was able to repulse all enemy attempts to break through its lines. Only at the old gaps did the enemy succeed in gaining ground in westerly direction. Two of our divisions have been moved to the endangered points. The attacks against the 6th and 2nd Armies were repulsed.

Central Army Group:

The 18th Panzer Division continued to advance in its attempt to relieve the troops which are encircled in the Sukhinichi area. At the 4th Panzer Army sector our lines were withdrawn according to plan, at times under considerable pressure from the enemy.

Northern Army Group:

Kholm and Staraya Russa were held.

2. Finnish and Norwegian Front:

The 14th Finnish Division successfully executed an operation aimed at disrupting the lines of the Murmansk railroad.

3. North Africa:

Maneuvers by the German and Italian tank and motorized forces prevented the withdrawal of strong enemy forces to the north and northeast. Enemy attempts to break out of the encirclement were repulsed. Numerous additional tanks and armored scout cars were destroyed. A concentric attack to annihilate the enemy forces east-southeast of Agedabia is planned for 24 Jan. An appropriate defense screen will

23 Jan. 1942

CONFIDENTIAL

guard our forces against an attack from the north.

24 Jan. 1942

Items of Political Importance

France:

A German diplomatic report from Paris states that Iran and France may be expected to break diplomatic relations in the immediate future. Diplomatic telegram communications have already been discontinued.

Burma:

Japanese reports state that the underground insurrection against Great Britain has progressed to an unexpected extent. The recently arrested Prime Minister is said to have been the head of a secret organization, the Dragon Army, which had many followers among the civil service and has already participated in the fighting for Tavoy on the side of the Japanese.

Australia:

The Australian Government resolved to address an urgent request for aid in the form of planes and war materiel to England and the U.S.A. The government is, with right, seriously concerned about the situation in Malaya and New Guinea. The Minister for Procurement in the War Cabinet declared that the government in London is responsible for the defense of the colonies. England is obliged to make an honest effort to defend the Empire, for the existence of which the war in the Pacific is being waged.

Vatican:

An article commenting on the favorable position of the Catholic Church in Germany which recently appeared in an Italian newspaper has caused the Vatican to print a reply in the "Osservatore Romano", pointing to an anti-Christian book published in Germany. For further details see Political Review No. 20, Paragraph 5.

Rumania:

The German Legation reports that Antonescu intends to bring up the succession problem of the dynasty in the event that ex-King Carol should embark on political activities.

Turkey:

Foreign newspapers are alleging that Stalin has written a personal letter to Inonu, denying the reports concerning Russian claims on Turkish territory. The letter is said to assure Turkey that the Soviet Union is not interested in the Dardanelles and is prepared to come to Turkey's aid.

British authorities have denied that all British nationals are being advised to leave Turkey.

South America:

The compromise version of the declaration issued by the participants in the Rio Conference reads as follows:

As a sign of American solidarity it is recommended that every country

break its diplomatic, political, and economic relations with Germany, Italy, and Japan in accordance with its laws and the prevailing circumstances.

The meetings of the economic committee of the conference are particularly significant. The press reports that Chile has succeeded in having her motion for recognition of the gold standard accepted as the basis for the inter-American economic policy. For details about the significance of this measure see Political Review No. 20, Paragraph 10b.

Conference on the Situation with the Chief, Naval Staff.

The Problem of Defending Norway: The Chief of Staff, Naval Staff reports about the outcome of his conference with the Fuehrer (see minutes in War Diary, Part C, Vol. IIa). The discussions centered on the need for faster defense measures for Norway and touched on other problems.

The Chief, Naval Staff is in complete accord with the Fuehrer's reasoning about the possibility of a disastrous turn of events in Norway in case of a British attack. He too considers Norway to be a "zone of destiny" in this war, and believes that the defense of this area is decisive for future developments. In this very connection it is to be remembered that none other than the Chief, Naval Staff himself has kept insisting ever since November 1939 that a British landing in the Norwegian area must be prevented under all circumstances if the war is to be brought to a victorious conclusion. He was the very one who, clearly recognizing the strategic necessity for such a move, had originally recommended to the Fuehrer time and again to launch the Norwegian campaign despite all difficulties which then seemed to speak against a seizure and occupation of that territory. In all these calculations, the Naval Staff did not for one moment lose sight of the fact that the available naval forces by themselves would hardly be able to maintain a steady flow of transports and supplies along the extended Norwegian coast in quantities required for the defense of the area. The fact that during the period of occupation it has nevertheless been possible to keep supplies moving along the Norwegian coast with generally only slight losses is partly due to the surprising lack of activity on the part of the enemy. In the first place, however, this success is to be credited to the unswerving and valiant efforts of the small defense forces of the Navy, and the outstanding initiative of the Commanding Admiral, Norway and his subordinates. In the second place, it is due to the defensive power which the Army and the Air Force have built up in Norway since the beginning of the campaign. The German fleet has not been able to exploit the Norwegian area for strategic purposes as much as had been hoped. First of all, the German battle fleet simply lacks the forces for launching a large-scale operation; secondly, after the conquest of the Atlantic coast the western coast of France appeared to offer greater opportunities for fleet operations, a fact which justified the employment of our heavy vessels in those waters. At first sight there might appear to exist a certain discrepancy between the fact that during the end of 1939 and the beginning of 1940 the Naval Staff kept insisting on the occupation of Norway, and the fact that once that area was in our possession it was utilized to only a limited extent as a base for naval operations. Not only was the defense of the northern flank of the European continent, i.e., the occupation of Norway, to be viewed as a strategic prerequisite for an operation in the west in the direction of the Atlantic Coast, but the primary importance of the Norwegian coast for naval warfare became evident on many occasions after

the temporary bases had been built up with the required speed. (The following achievements are mentioned: The operation of our battleships against the GLORIOUS; bringing back the ships damaged in the Arctic Ocean; repeated crossing of the waters between the Shetland Islands by our naval forces; getting the cruisers out of the Atlantic and bringing them into port; the successful departure of several of our auxiliary cruisers on missions; and improvement of operational possibilities for the submarines. Finally, mention is made of the factors involved in present operations against Soviet Russia from the northern Norwegian area, including troop and supply transports.)

The course of events in the Atlantic, the grave and inescapable danger of air attacks on our bases on the Atlantic coast, as well as the lack of aircraft carriers required for operations of our battleships in the Atlantic Ocean, have in the meantime led to the recognition of the fact that, as an operational measure, the transfer of the battleships to Brest constituted a rather controversial move; it will, however, be possible to estimate its strategic value only after the actual effect on the enemy has become known.

In view of the present development of the war at sea and the decisive importance of the Norwegian area for our naval operations, the Naval Staff is anxious to state at this moment that the presence of battleships in the Norwegian theater implies great strategic and operational possibilities which exceed by far those existing in the Western Area. (See letter from the Commander in Chief, Navy to the Fuehrer, dated 8 Jan. 1942, in War Diary, Part C, Vol. IIb.) Further considerations have logically resulted in the decision to launch operation "Mandarine".

As for further measures, the Chief, Naval Staff is determined to comply wholeheartedly with the demands and wishes of the Fuehrer calling for the utmost effort on the part of all the branches of the service in protecting Norway against all enemy attacks. The Chief, Naval Staff, acting upon the suggestions of the Chief of Staff, Naval Staff and the Operations Division, has therefore ordered that the following measures be investigated and, if feasible, executed with increased speed:

- a. Increase of the number of submarines operating in the Arctic Ocean.
- b. Intensification of submarine operations in the Iceland-northern Scotland-Hebrides zone of operations.

(The Fuehrer's demand that "all submarines be transferred to Norway" in order to obtain an adequate reconnaissance of the approaching enemy and an effective defense against his forces cannot be fulfilled because, among other things, the problem of bases cannot be solved. The Fuehrer himself dropped this demand on 23 Jan. in view of the successful operations of our submarines along the American coast. The Naval Staff itself believes that such a transfer would not be in line with the present strategic requirements, since the present military situation does not permit a tie-up of all submarines in defensive operations for any prolonged period. Another factor speaking against it is the far-reaching effect which the success of our submarines against Anglo-American shipping along the American coast is liable to have on enemy merchant shipping in general.)

- c. Preparations for the transfer of another PT boat flotilla to Norway after operation "Torero" has been completed.

d. Adequate temporary protection of the vessels in the Norwegian fjords.

e. Readiness of the cruisers to proceed to, and operate in, the Norwegian waters. Investigation of possibilities for employing also light cruisers and for getting them out of training. (Previously, the Naval Staff was able to give up the idea of sending these vessels into action because the operational tasks in the North Sea area had been abandoned and it was also impossible to use the ships in the Atlantic Ocean. In addition, it was necessary to promote the training of submarine and surface vessel crews.)

f. Systematic and speedy improvement of mine defenses on the sea routes and around the naval bases, first of all in northern Norway.

g. Speeding up the measures for the reinforcement of coastal defenses.

h. Investigation of the possibilities for employing further auxiliary vessels suitable for reconnaissance and escort duties.

i. Increase of fuel supplies to the greatest possible extent.

k. Investigation of the problem of transferring more heavy artillery to Norway.

Preparations for operation "Mandarine" are continuing. The question of transferring the light forces (destroyers and torpedo boats) can only be decided after the operation has been completed.

The goal of all measures for the defense of Norway must consist in preventing the British at the very outset from gaining a foothold on Norwegian territory and in eliminating any chance for an initial success on the part of the enemy. The exploitation of the ore deposits in northern Scandinavia is of greatest importance for the German economy, and the possession of the Petsamo nickel deposits is a decisive factor for winning the war.

As for Sweden's attitude, the Naval Staff, especially since it lacks information which has evidently been made available to the Fuehrer, is of the opinion that Sweden has not yet pledged her support for Britain's military plans in Norway. Sweden is bound to consider a junction between Russian and British forces as a serious threat to her future. Besides, it is highly improbable that the Swedes would ally themselves with the British against the interests of Finland. The Naval Staff therefore believes that, at the most, Sweden might turn against Germany in case the British achieve substantial successes in Norway right in the beginning; if, however, the British launch only small-size operations, Sweden is not to be expected to change her policy. In no case are we to expect a simultaneous Anglo-Swedish action against Norway.

Nevertheless, the Naval Staff has to take into consideration the possibility of an unfavorable turn in the relations between Germany and Sweden. For this reason, the Chief, Naval Staff orders the reestablishment and reinforcement of German defenses along the Baltic Sea coast (including the coasts of Denmark and the Baltic countries).

Concerning the defense of Norway, the Chief, Naval Staff points once more to the decisive fact that the most important prerequisite for an effective defense against enemy landing operations is the possession of a strong air power. In this respect, the present shortage of

24 Jan. 1942

CONFIDENTIAL

German air forces is particularly deplorable.

(The Army intends to reinforce the personnel strength of the 7 divisions in Norway so that they can be used effectively in the defense of that area. It also plans to increase the strength of infantry employed in the protection of coastal batteries and to make available 20 infantry battalions as a strategic reserve in Norway.)

The Chief, Naval Staff orders another directive concerning Norway to be issued to the subordinate operations headquarters and also information to be given by the Naval Staff as soon as possible to the Chief of Staff, Group North, the Commanding Admiral, Norway, the Commanding Admiral, Submarines, and the Commanding Admiral, Fleet, personally.

Special Items:

I. Towards the end of December Fuehrer Headquarters forwarded to the Naval Staff a report from a special British source which was written around the middle of November 1941 and dealt with the Home Fleet. The author of the report and the circumstances accompanying it are unknown. All that can be said is that it contains a wealth of valuable data and represents a splendid confirmation of the fact that our strategy in the first 2 years of the war was correct.

For copy of the report as per Vfg. 1/Skl I b (no report number) see War Diary, Part C, Vol. II b.

II. The following is the text of the Fuehrer's decision in the so-called "Terboven affair":

Upon the report by the Reich Commissioner and the Chief of Staff, Naval Staff concerning revocation of the sentences passed by the Prize Court in Hamburg against the Norwegian whaling vessels SOLGLIMT and PELAGOS, I herewith decide that

a. The Supreme Prize Court is to change the arguments in support of the sentence to the effect that only the services rendered by those vessels to the enemy are quoted in support of the sentence, and not the state of war existing between Germany and Norway.

b. As before, all Norwegian vessels found sailing for the enemy are to be sunk or captured and brought before the Prize Court, in accordance with orders for which I have given my approval.

c. All Norwegian vessels which will voluntarily return to Norway or to the Axis or neutral ports, as well as their crews, will be treated as friends and will not be seized.

d. The arrangement concerning treatment of vessels found or seized in the Norwegian area remains in full force (see Telegram 2215).

As mentioned before, this decision is in every respect in line with the views of the Naval Staff. Political conditions in Norway which have come to the attention of the Naval Staff in the course of this affair must arouse our particular concern because it is to be feared that Reich Commissioner Terboven and Mr. Quisling are still far from having found the formula for the future structure

24 Jan. 1942

CONFIDENTIAL

of the Norwegian state which would be capable of really stabilizing conditions in that country. For obvious reasons, however, this must be of particular interest to the Navy.

Situation 24 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

An agent reports from a source in the Portuguese Foreign Ministry that the British Government has pointed out certain preferences which Spain has accorded Germany, and in turn has demanded the right to station PT boats in the Tejo River for the purpose of supplying submarines, and certain concessions in the use of Portuguese airports.

The German Legation in Changchun has forwarded a report from a Japanese naval source about a remark made by Ambassador Maisky, according to which the British Government expects a German attack on Gibraltar as soon as the Japanese fleet appears in the Indian Ocean. If German-Japanese cooperation proves successful then the outcome of the war has been decided. The U.S. is said to have been asked for military reinforcements for Gibraltar which were to land in Morocco. (See Telegram 2205.)

A transport is expected to arrive in Horta in order to take aboard troops from the LLANGIBBY CASTLE. One light cruiser, 1 mine sweeper, and 1 cable layer sailed in westerly direction on 22 Jan. (See War Diary 23 Jan.)

South Atlantic:

A French source reports that a convoy is expected to arrive in Freetown on 25 Jan. The port is said to be crowded with about 60 steamers.

Indian Ocean:

According to press reports, U.S. transports carrying materiel under escort of U.S. war ships have arrived in Basra. A report from the military attache states that 8 to 10 U.S. steamers with materiel for Turkey are expected to arrive in Basra on 1 Feb. (See corresponding report by the Naval Attache in Istanbul in War Diary 22 Jan.) Distress signals about the presence of merchant raiders in the waters of Hindustan have recently been intercepted in greater numbers. They probably are to be attributed to intensified British patrol activity since it is hardly likely that Japanese auxiliary cruisers are at this time operating in those waters.

Pacific Ocean:

The Japanese Naval Attache in Buenos Aires reports that on 22 Jan. 8 U.S. submarines passed through the Panama Canal in westerly direction. The NORTH CAROLINA, the WASHINGTON, and the YORKTOWN were lying in San Diego on 23 Dec. and sailed from that port on 24 Dec., destination unknown. Small U.S. vessels, planes, and Mexican vessels,

24 Jan. 1942

CONFIDENTIAL

were patrolling the Mexican west coast.

2. Own Situation:

Via Telegram 1616 the Italian Admiralty has been notified about the blockade runner FUSIJAMA in accord with a request of Etappe Tokyo.

Etappe Tokyo has been informed via Telegram 1515 that the RIO GRANDE, MUENSTERLAND, FUSIJAMA, and PORTLAND will sail as scheduled, and that no other vessels, not even the WINNETOU, QUITO, or the BOGOTA are to be dispatched.

Etappe Japan will receive a statement about the reasons for limiting the number of blockade runners at a later date. The foremost reason is the fuel oil shortage which will not permit the consumption of a few thousand tons of fuel oil for even such important purposes as the importation of critical materials either at this moment or within a reasonable period of time.

The German Naval Attache in Rio reports that the Italian steamer CONTE GRANDE has been chartered under similar circumstances as the WINDHUK. Three more Italian steamers in Brazilian ports have been sold to the Lloyd Brasileiro.

According to our air reconnaissance, the DOGGERBANK was located in quadrant BF 7125 at 1240 on 23 Jan. (See Telegram 1242.)

II. Situation West Area

1. Enemy Situation:

Air reconnaissance reports a considerable number of convoys along the southwestern coast and off Liverpool. The Air Force listening service reports that at 1430 1 convoy of 14 troop transports sailed from Coleraine (east of Londonderry) en route to Reykjavik. Another convoy has left Londonderry and at 0950 was located in the North Minch.

2. Own Situation:

Atlantic Coast:

Nothing to report.

Channel Coast:

The 4th PT Boat Flotilla is ready for its torpedo mission.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

Nothing to report.

Own Situation:

The 5th Destroyer Flotilla is en route to the West Area as planned.

Group North informs the Naval Staff about the directive issued to Naval Stations Baltic and North Sea, the Commanding Admiral, Defenses, North and Baltic Sea, and the Commanding Admiral, Norway, concerning the re-routing of merchant shipping to and from Norway via the North Sea due to a further change for the worse in ice conditions in the Baltic Sea approaches, a fact which forces us to take greater risks. (See Telegram 1713.)

For directives concerning escort service in the North Sea see Telegram 1220.

2. Norway:Enemy Situation:

Radio intelligence located British vessels near Hammerfest and 220 miles north of Trondheim, the latter presumably en route to Scapa Flow. On 23 Jan. air reconnaissance intercepted 5 freighters southwest of Kildin Island and 3 warships, presumably cruisers, on a southeasterly course northeast of Orlovø and Cape Teriberski. Two steamers were spotted in the vicinity. Poor visibility prevented effective reconnoitering of the port of Murmansk.

Own Situation:

On 23 Jan. enemy planes were active over Kirkenes and in the vicinity of Lister. On 24 Jan. the mine vessel ULM sailed from Tromsø on a special mission.

The herring fishing has started. 1950 boats are reported between Florø and Haugesund; between Kors Fjord and Sognesjøen the fishing has begun with 500 boats engaged in the operation.

The 8th PT Boat Flotilla reports about its experiences during the recent operations in the North Area. Bad weather is greatly limiting the chances for a successful operation. The weapons often fail when covered with ice at temperatures of 6 to 8° C or when the sea is 2 to 3. After 6 hours of duty, the bridge crew is hardly able to perceive anything. (Conditions in the Channel are similar at the present moment.) The hulls of the vessels are seriously affected by frost and ice.

In connection with the above, the Admiral, Arctic Ocean rightly observes that bad weather prevents PT boat operations in other zones too, and that large-scale offensive operations were from the outset to be excluded from the calculations. On the other hand, the defensive effect which restrains the enemy operations, particularly within the coastal waters, must not be entirely disregarded. (See Telegram 1615.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

Ice conditions are growing worse throughout the Baltic Sea. In addition to harbor icebreakers, only CASTOR and SCHLESIEEN are available. The Commanding Admiral, Group North again repeats his urgent request

24 Jan. 1942

CONFIDENTIAL

for chartering Swedish icebreakers. The only routes which the merchant vessels which have been rerouted through the North Sea can sail are full of ground mines and cannot be swept because there are no mine-detonating vessels or anti-aircraft escort vessels available.

The Quartermaster Division is taking up the matter concerning the Swedish icebreakers. The Naval Staff cannot understand why only one large icebreaker has been provided for the entire Baltic Sea area, and, to make it worse, one that had to be withdrawn from the service in the middle of February for conversion.

The steamer SPREE was caught temporarily in the Sjaelland net. Seven steamers are icebound in Danish waters. The Admiral, Denmark is trying to obtain Danish icebreakers to assist them. Mine-exploding vessels "132" and M "1902" are rushing to the aid of patrol boats "1605" and "1606" which are still icebound. The 5th transport group of the 7th Mountain Division became icebound in eastern Baltic Sea near Bogskær. Finnish icebreakers are to attempt to escort vessels to Hangoe via Utoe.

The 7th transport group of the 7th Mountain Division has left Stettin en route to Hangoe.

The SCHLESWIG-HOLSTEIN has arrived in Gdynia, the SCHLESSEN is en route to that port and will again be available for icebreaker service after having refueled.

V. Submarine Warfare

1. Enemy Situation:

The German Legation in Lisbon reports that several British ships are expected to arrive in Lisbon and Porto in order to carry a considerable amount of tungsten to England. Radio intelligence intercepted a series of reports according to which ships have been torpedoed or sunk in the western Atlantic and off the American East Coast. The British steamer EMPIRE WILDEBEESTE (5,630 GRT) has been torpedoed south-east of Halifax. The steamer EMPIRE GEM was reported burning 15 miles off Cape Hatteras, her crew had taken to the boats. The tanker VENORE (14,305 GRT), which had been torpedoed in the same area on 23 Jan., sent an SOS, was torpedoed a second time and was heard from no more. Radio Chatham relayed a submarine warning from the steamer B.W.L.G. about 80 miles east of Cape Race. The U.S. Coast Guard subchaser RUSH reported that she had sighted a periscope about 300 miles north of the Windward Passage and suspects a submarine in the vicinity. (Weather buoy?)

East of Gibraltar a plane unsuccessfully strafed a submarine. An intelligence report from Spain states that a convoy arrived in Gibraltar.

2. Own Situation:

Via Telegram 2120 the Naval Staff forwards to the Commanding Admiral, Submarines and Group West the suggestion of the German Minister in Lisbon that submarines be stationed off Lisbon and Porto to intercept the expected tungsten transports to England.

The Commanding Admiral, Submarines requests that the order of the Navy

High Command, according to which a group of shipyard workers engaged in surface vessel construction in Brest will be reassigned to submarine repair work, be carried out rather than rescinded again; otherwise, the number of submarine repair stations in the ports of western France will be reduced by 15 (see Telegram 1340.)

The Naval Staff, Submarine Division will take care of further details.

Fourteen submarines were stationed in the operations areas along the American East Coast and the Canadian coast; three submarines were stationed between the Azores and Gibraltar; twelve were located in the North Atlantic, and 6 in the eastern Mediterranean. Twenty three submarines were either in or outbound, 3 of them en route to the eastern Mediterranean. Seven submarines were en route to their bases and 12 are lying in the Mediterranean ports.

Submarine U "66" (Lt. Cdr. Zapp) reported a total success of 50,000 GRT. Among others, the submarine sank 1 passenger steamer, 2 tankers, and 1 ore steamer. On 19 Jan., submarine U "581" sank a corvette between the Azores and Gibraltar.

According to the report from the Commanding Admiral, Submarines, no German submarine was involved in the sinking of the Spanish steamer NAVEMAR; the submarine in question was the Italian BARBARIO which had reported sinking an armed steamer of approximately 8,000 GRT in the upper center of quadrant CF 9395.

Comprehensive situation report in War Diary, Part B, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

No reports of particular interest have been received.

2. Mediterranean Theater:

Our night-fighters escorting the 2nd transport group shot down 1 British fighter-bomber and 1 torpedo plane. The Air Commander, Africa rendered effective support to the advancing Africa Corps and was called upon to assist our troops in preventing the encircled enemy forces from breaking out.

3. Eastern Front:

No reports of particular interest have been received.

VII. Warfare in the Mediterranean

1. Enemy Situation:

The convoy which arrived in Gibraltar consisted of 9 British and 1 Norwegian steamer, 2 destroyers, 3 corvettes, and 1 gunboat. During the night of 23 Jan., the Italian Navy sighted a submarine in the waters between Corsica and Sardinia. At 1745 on 23 Jan.,

24 Jan. 1942

CONFIDENTIAL

battleship DUILIO sighted an enemy submarine 140 miles off Benghazi. Destroyers and cruisers of the Italian escort forces sighted further submarines in the waters off Homs. No enemy forces were sighted in the eastern Mediterranean throughout the day. During the night of 23 Jan., Italian radio intelligence located a total of 32 enemy planes, among them 10 bombers and 10 torpedo planes, which were operating against the escort force of the 2nd transport group. Contact with the enemy reconnaissance planes was lost at 0323 on 24 Jan. but was reestablished at 0530. At 0600 a report was intercepted about an aerial torpedo attack on the naval force 30 miles north of Cape Misurata.

2. Own Situation:

The 3rd PT Boat Flotilla, which had departed on a mining mission off Malta during the evening, was forced to return due to weather conditions.

3. Situation Italy:

During the night of 22 Jan. enemy planes raided Tripoli, causing no military damage in the harbor. The Italian escort forces turned back during the night of 23 Jan. and are en route to their bases. The time at which they turned is unknown. Motor ship VICTORIA sustained a torpedo hit astern at 1745 on 23 Jan. and sank. 1100 men were rescued. The other 3 steamers of the 2nd transport group arrived in Tripoli at 1430 on 24 Jan., without having been damaged. A later report states that the motor ship VICTORIA was first hit by a submarine torpedo and thereafter by 2 aerial torpedoes.

4. Transport of Supplies to North Africa

At noon of 23 Jan. the steamer ATLAS arrived in Tripoli, and the steamer TRULA and the motor vessel CORA arrived in Buerat el Hsun. The steamer WARTFELS returned from Pantelleria to Trapani after one of her escort torpedo boats had been damaged. The coastwise traffic of naval barges is proceeding according to plan.

5. Area Naval Group South:

Aegean Sea:

Nothing to report from the Aegean Sea.

The German General at the Italian Armed Forces Headquarters is being advised by the Armed Forces High Command, Operations Staff to obtain from the Italians additional cargo and escort vessels for the Aegean Sea, and to persuade them to make more frequent use of the route between Trieste and Piraeus via southern Italy. This is necessary because, in addition to the transfer of another Italian division, increased demands will be made on the transports to Crete in connection with the enlargement of airfields necessary to enable a greater number of our planes to meet the eventuality of a British attack, which cannot be done with means available at present. The Naval Staff has been advised of the above directive via Telegram 2000.

For the time being it remains a mystery how this new task can be solved in the face of the transport and escort situation in the Aegean Sea, about which the Armed Forces High Command is well informed. A few days ago, the Armed Forces High Command rejected the requests for additional forces by Group South and the Commanding Admiral, Aegean Sea, which had been endorsed by the

Commanding General Armed Forces, Balkans. At that time, the Armed Forces High Command pointed out that transports to North Africa are of primary importance. The Italian Navy, too, has repeatedly assured the Naval Staff that it is unable to furnish more transport vessels and additional escort forces for the Aegean Sea.

Black Sea:

Nothing to report from the Black Sea.

Complying with the request of the Army High Command (see War Diary 22 Jan.) for the appointment of a naval commander for the Crimea, the Armed Forces High Command requests the Navy High Command to detail such an officer who is to be tactically subordinate to the 11th Army Command in matters of coastal defenses. This does not affect his subordination to the pertinent naval authorities in other matters. Organization and improvement of coastal defenses will be his most urgent task at this time. He will be in charge of Army forces detailed for this purpose. The Navy High Command has been requested to improve the Army's coastal defenses as far as possible. The Army and the Navy will arrange details directly. (See Telegram 1300.)

The Quartermaster Division will attend to the matter.

Naval Group South is being informed of the above via Telegram 2020.

VIII. Situation East Asia

1. Enemy Situation:

Press reports from Batavia state that on 23 Jan. planes of the Dutch East Indies Air Force attacked Japanese warships in the Strait of Macassar and allegedly scored hits on a battleship, a heavy and a light cruiser, a destroyer, and 3 transports. Four Japanese ships are said to have been sunk off the coast of Sarawak by a Dutch submarine supported by a fighter.

Radio Boston reports that small vessels of the U.S. Navy entered Tokyo Bay and Yokohama and sank a tanker and a cruiser.

Radio Daventry reports that Chinese forces attacked Japanese Navy headquarters in the vicinity of Weihaiwei.

2. Situation Japan:

The Military Attache in Bangkok reported on 22 Jan. that the Japanese column in Burma is advancing according to plan. The eastern column on Malaya is near Kuantan, the main column 5 km. south of the Endau River. British air raids caused some damage in the vicinity of Kuantan and Kuala Lumpur.

IX. Army Situation

1. Russian Front:

Southern Army Group:

At the Sudak front the enemy is offering fierce resistance west of Kosy. At the 1st Panzer Army, as well as the 17th, 6th, and 2nd Army sectors the situation remains generally unchanged. All enemy attacks were repulsed, with the exception of one at the extreme left wing of the 17th Army where one of our strongpoints was lost to superior enemy forces after stubborn fighting.

Central Army Group:

The relief of Sukhinichi is making further progress. The positions of the XX, VII, and IX Army Corps were withdrawn according to plan. All other enemy attacks were repulsed and some guns and equipment captured in counterattacks.

Northern Army Group:

The general situation remains unchanged.

2. Finnish and Norwegian Front:

Nothing to report.

3. North Africa:

The concentric attack against the enemy forces in the area east northeast of Agedabia was a complete success. 117 tanks and armored scout cars and 33 guns, as well as a large number of trucks, were destroyed. One thousand prisoners were taken. Thus the enemy has lost a total of 143 tanks and armored scout cars, as well as 80 guns, since 21 Jan. Land-based anti-aircraft artillery shot down and destroyed 14 enemy planes. The badly beaten enemy retreated in the direction of Zauiet Msus and further to the southwest.

25 Jan. 1942

Sunday

Items of Political Importance

Great Britain:

A report from a neutral diplomatic source states that sweeping changes in the War Cabinet are unlikely, although not impossible. The Committee for Political Warfare is said to be overshadowing the influence of the Foreign Office. The Labor Party leaders have lost much of their influence. The Russian alliance is popular even in Rightist circles, and Soviet propaganda is steadily increasing. Closer relations between the Dominions and the U.S.A. are not being considered dangerous. Production is still said to be far from the desired capacity, with the exception of the aircraft industry. The food situation is said to be not unsatisfactory.

Australia:

The Japanese landing in New Guinea has tremendously raised the general excitement in Australia. The press states that the repeated assertions that Hitler is the No. 1 enemy are in no way suited to improve public sentiment. Rumors about alleged mutinies of Australian troops in North Africa are being denied, while the incidents themselves are described as occasional "disobedience." Prime Minister Curtin declared on 24 Jan. that Australia is demanding a seat in the Empire War Cabinet and insists on the establishment of a Pacific War Council. He also declared that there is no Australian living who would be willing to collaborate with Japan. Australia would resist until the war has been won. According to a further report, the Government has received a telegram from Churchill in which the latter promises far-reaching compliance with Australian wishes.

New Zealand:

Prime Minister Fraser declared that Churchill has never made a statement to the effect that Germany must be defeated before an all-out effort in the Pacific is possible. Such an attitude has never even been considered.

Portugal:

It has been officially announced that the troops for Timor have now been ordered to depart from Lourenco Marques.

U.S.S.R.:

Ambassador Cripps stated that the Russians are expecting a German spring offensive but that they are hoping to deliver the coup de grace to Germany by next fall or winter. Russia now has 9,000,000 men under arms. The differences of opinion between Russia and Japan could only be settled by the use of arms.

According to a Bulgarian report, the food situation in Moscow is rapidly and steadily deteriorating.

South America:

The Economic Committee of the Rio Conference unanimously accepted the

25 Jan. 1942

CONFIDENTIAL

proposal to recommend a break in economic and financial relations with the Axis powers.

The question of the South American countries' participation in the Atlantic Charter has been submitted to a committee of which the ABC states, Colombia, and Mexico are members. The idea of an unconditional resolution concerning a break in diplomatic relations with the Axis powers is encountering strong resistance in Argentina and Chile.

Sweden:

According to agent reports, as well as observations of the German Embassy, Sweden has been drafting increasing numbers of men since 3 Jan. German quarters are being given the excuse that this is necessary for the defense of northern Sweden because a British landing in northern Norway and a simultaneous Russian offensive are expected in mid-winter.

Special Items

War Diary, Part C, Vol. VI contains a survey of ship losses during December 1941 resulting from German mines as compiled by the Naval Staff. Entry in the diary as per 1/Skl I E 1454/42 Gkdos.

Situation 25 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

A warning against an enemy warship close to the Florida coast, which was cancelled shortly afterwards, testifies to the nervousness which our submarines have caused all along the U.S. coast.

South Atlantic:

The auxiliary cruiser BULOLO called at Montevideo on 21 Jan., while the tanker ARNDALE left port the same day. The U.S. Navy oiler PATOKA and 1 U.S. destroyer sailed from Bahia on 20 Jan. The vessels which were reported by the base of the Italian Lati airline at the Cape Verde Islands have been identified as 2 U.S. cruisers, 1 submarine, and 1 transport.

Indian Ocean:

A British steamer reported on 25 Jan. that she was being attacked by a submarine about 160 miles southwest of Rangoon.

Pacific Ocean:

A report from Chile contains the tentative statement that a U.S. carrier and the destroyer GOLDSBOROUGH are in the bay of Quintero (north of Valparaiso).

2. Own Situation:

In view of lively enemy ship traffic and air reconnaissance activity in the Gibraltar-Azores area, as well as general weather conditions affording good visibility, the Naval Staff is unable to comply with the request by Etappe Japan for permitting the SPREEWALD to sail on route "Bruno". Under the present circumstances, route "Bruno" is a mere expedient. Etappe Japan has been informed of the above by Letter 1212.

Prevailing ice conditions will hardly permit work on ship "28" to be completed in Gdynia; in Kiel, however, this can probably be done without difficulty. The Naval Staff endorses Group North's suggestion that the auxiliary cruiser continue maneuvers in the Baltic Sea until 31 Jan., ice conditions permitting, and that she receive the rest of her equipment in Kiel. The Naval Staff, Quartermaster Division will attend to the rerouting of supplies for the vessel.

For information on the enemy situation see Telegram 2134.

II. Situation West Area1. Enemy Situation:

No reports of particular interest have been received.

2. Own Situation:Atlantic Coast:

The 2nd Torpedo Boat Flotilla consisting of 5 boats has arrived in Brest. Enemy planes raided Brest from 2020 to 2245, dropping 70 medium heavy high-explosive bombs and 10 incendiary bombs without causing substantial damage. Several of our men were wounded when planes strafed our battery positions and warships. Evidently no planes were shot down.

Channel Coast:

While the 5th Destroyer Flotilla was proceeding from Flushing to Brest, the BRUNO HEINEMANN struck 2 mines 8 miles north of Dunkirk at 2116 and sank at 2315. No further reports have been received.

III. North Sea, Norway, Arctic Ocean1. North Sea:

The 5th Torpedo Boat Flotilla is proceeding from the Elbe to Flushing. Otherwise nothing particular to report.

2. Norway:Enemy Situation:

On 24 Jan. air reconnaissance reported 2 steamers of 6,000 to 8,000 GRT and 6 to 8 steamers of about 1,500 GRT each in the Iokanga roadstead. Three cruisers (probably destroyers) were proceeding

25 Jan. 1942

CONFIDENTIAL

on a westerly course east of Svyatoi Nos. At 1640 radio intelligence intercepted a message from a British plane reporting that the battleship is neither in the Aasen Fjord nor can she be found anywhere else.

Own Situation:

Bad weather prevented PT boat operations. Convoy operations between Stavanger and Kristiansand South had to be cancelled for the same reason. Ice conditions in the Oslo Fjord have become worse. Sailing conditions are difficult for small steamers. In the evening of 24 Jan., the hospital ship METEOR entered Smoegen (Sweden) after her rudder had been damaged by ice. Through the Naval Attache, Sweden has been requested to aid the vessel.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

Ice conditions in the entire Baltic Sea area continue to be critical. Many vessels are icebound; 7 are icebound in the Kattegat, 4 off Schleimuende, and others in Luebeck Bay. Mines from the northern sector of the Gjedser mine field have drifted away. The Warnemuende-Gjedser ferry traffic has been suspended.

No merchant vessels are sailing in the area from Flensburg down to Swinemuende. Only steamers of sturdy construction are permitted to sail from Swinemuende eastward. Group North believes that, in case the easterly winds and the cold continue, shipping will be threatened by a complete collapse because of the shortage of icebreakers.

The Commander, Mine Sweepers, North Sea is in charge of ship transfers and icebreaker operations. For the corresponding directive from Group North see Telegram 1529.

V. Submarine Warfare

1. Enemy Situation:

The following facts have been reported by radio intelligence: reconnaissance activity was slight on the part of the 15th and livelier on the part of the 19th Air Group. The British vessel "BE" was located 420 miles west of Cape Ortegat. The Greek steamer MOUNT KITHERON (3,876 GRT) was torpedoed off the American east coast, 30 miles east of Saint Johns. A submarine warning was issued for the area 420 miles east of Cape Race. A capsized wreck was reported spotted 35 miles northeast of Cape Hatteras. The U.S. steamer MAE (5,607 GRT) reported sighting a submarine which surfaced 70 miles east of Cape Hatteras and submerged again after the steamer had radioed her message. Shortly afterwards, the steamer issued an SSS signal.

In the western Mediterranean, a plane reported a bomb raid on a submarine near Cape Spartel. A similar report was received from the eastern Mediterranean, with the addition that the submarine was badly damaged.

The British Admiralty announced the loss of submarine H "31".

2. Own Situation:

Further sinkings reported by our submarines operating off the

American coast amount to a total of 102,000 GRT in excess of the figure (125,000 GRT) given in the special report of the Armed Forces High Command on 24 Jan.

Situation report in War Diary, Part B, Vol. IV.

According to a report from the Commander of Submarines, Italy, the Naval Command, North Africa announced on 7 Jan. that R.A.F. officers who had been taken prisoner definitely assured our agents that an Axis submarine sank the battleship BARHAM in the Mediterranean about a month ago. They said that the Admiralty is keeping this loss secret because Axis communiques have never mentioned it.

The Commanding Admiral, Submarines refers to a report from submarine U "331" (Lt. Freiherr von Tiesenhausen), according to which 3 torpedo hits were scored on a battleship off the Cyrenaica coast at a distance of 375 m. on 25 Nov. but that the effect could not be observed. After having learned the details about this incident from the log of submarine U "331", and on the basis of quite plausible prisoner statements, the Commanding Admiral, Submarines considers the sinking of the BARHAM by submarine U "331" very likely. He therefore suggests that the sinking be officially announced in the Armed Forces communiques and that the newspapers go into further details, so that the enemy might perhaps be induced to admit the loss.

The Naval Staff will arrange further details in following up the suggestion of the Commanding Admiral, Submarines.

War Diary, Part C, Vol. IV contains the view of the German Naval Command, Italy concerning the question of responsibility for the waters in which submarine U "557" was lost in December 1941. Entry in the diary as per 1/Skl 1965/42 Gkdos.

The Commanding Admiral, Submarines has been directed to occupy the waters between Iceland, the Faeroe Islands, and the Western Isles in compliance with a new Fuehrer directive. Eight submarines, including those en route from home bases, are to be stationed in that area. They will refuel in Norwegian ports. See directive 1/Skl I u 196/42 Gkdos. Chefs in War Diary, Part C, Vol. IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

During the evening hours, 12 of our planes raided ships and sank a 3,000 GRT steamer south of Land's End. Between 1900 and 2400, fifty enemy planes flew over the Brest area. For details about the air raid on Brest by 10 to 12 enemy planes see Situation West Area.

2. Mediterranean Theater:

At noon, an enemy convoy of 5 steamers, 2 cruisers, and 6 destroyers was bombed off Tobruk. One cruiser was twice hit amidship.

3. Eastern Front:

Our reconnaissance planes sank a 2,000 GRT freighter in the

Barents Sea. For reconnaissance observations see Enemy Situation, Norway. No reports have been received from other sectors of the Eastern Front.

VII. Warfare in the Mediterranean

1. Enemy Situation:

An Italian report states that in the afternoon of 22 Jan. a British force of 2 cruisers and several destroyers left Alexandria bound for the North African coast. During the afternoon of 25 Jan. our reconnaissance planes sighted 1 cruiser and 2 destroyers south of Malta, sailing at top speed on a course of 220°. Before noon, the same planes had spotted a convoy of 5 transports and 8 destroyers on a westerly course approximately 15 miles off Tobruk. Radio intelligence intercepted a message from this convoy reporting that it had been attacked by enemy planes, and further messages which presumably concerned the damage sustained in the raid. Two submarines have been added to the total number of vessels in Malta.

2. Situation Italy:

The battleship DUILIO, which had started out on her return voyage at 2000 on 23 Jan., arrived in Taranto at 0500. Destroyer Division "Aosta" set out en route homeward at 1000 on 24 Jan. The 6 destroyers which had entered Tripoli while escorting a convoy left that port at 1800 on 24 Jan.

3. Transport of Supplies to North Africa:

The number of lives lost in the sinking of the motor ship VICTORIA is expected to amount to 350. The tanker LOMBARDIA and the steamer ARIOSTO have sailed from Trapani bound for Tripoli. The hospital ship AUGUSTO is standing by at the point where the VICTORIA was sunk. Coastwise traffic in the North African area is proceeding according to plan, with no particular incidents to report.

In its brief report concerning the operations of the 2nd transport group, the German Naval Command, Italy makes the following additional statements: disposition and performance of enemy reconnaissance planes, submarines and bombers, as well as the execution of their operations from bases on Malta, and partly also from Alexandria, were remarkably good. The attack launched by British planes against the convoy at 0600 on 24 Jan. was unsuccessful. Our nuisance raids on Malta have so far failed to prevent the enemy planes from using the island as a base for their operations. Plane escort by day has been unable to prevent the enemy from maintaining contact with our convoys. Despite the escort protection by destroyers and planes, enemy submarines have successfully attacked the VICTORIA group sailing at a speed of 18 to 20 knots. As a result of the establishment of new British take-off points in Cyrenaica, British torpedo planes are now able to reach every point on the route east of Malta, even south of 36° N and east of 17° E, if they take off from Malta and make a stop in Cyrenaica after having completed their mission. The R.A.F. shows remarkably good training. The German Naval Command, Italy concludes the report with the remark that cruisers and destroyers of the Malta group must be expected to endanger any convoy passing Malta in either direction without sufficient escort so long as these enemy forces have not been forced out of that area. (See Telegram 1500.)

4. Area Naval Group South:Aegean Sea:

No reports of interest have been received.

Concerning the establishment of an Italian sea transport station in Suda which the Italian Naval Staff had been promised by the Commander in Chief of the German Navy during a conference in Garmisch, the Admiral, German Naval Command, Italy has expressed different views from those held by the Commanding Admiral, Aegean Sea. He declared that, as a matter of principle, the German Naval Command, Italy will have to take care of this problem so long as it will require negotiations between the German and the Italian Navy. He thus rectified the erroneous interpretation by the Commanding Admiral, Aegean Sea, who thought that the Italian sea transport station in Suda was to be placed under the command of the German port commander's headquarters in Suda. Particularly in view of the required parity of forces, such a development would lead to intolerable conditions at the German sea transport stations in Italy and the Italian colonies. As a matter of fact, the Commander in Chief, Navy had expressed his agreement during the Garmisch conference without any reservations. (See Telegram 1410.)

Black Sea:Enemy Situation:

The Rumanian intelligence service reports that Russia is planning a large-scale offensive (under the leadership of Timoshenko) in the Taganrog sector in order to establish a connection with troops on the Crimea who will simultaneously launch their attack against our forces. Air reconnaissance reports that the Kerch Strait is covered with ice and can be crossed on foot. The harbor of Novorossisk is free from ice. Four vessels, either destroyers or torpedo boats, were sighted south of Novorossisk.

Own Situation:

Because of prevailing ice conditions no ships are permitted in the vicinity of Braila, Galati, Odessa, Ochakov, Nikolayev, Genichesk, and Taganrog.

Giving consideration to the views expressed by the Naval Staff on the purchase of Turkish submarines (see War Diary 17 Jan.), the Armed Forces High Command has decided not to pursue the matter any further.

VIII. Situation East Asia1. Enemy Situation:

U.S. radio broadcasts are asserting that a British warship forced a Japanese submarine to the surface by dropping depth charges and then sank her by gunfire. The Australian Government has ordered all home defense forces to be mobilized immediately in order to ward off Japanese attempts to invade Australia.

2. Situation Japan:

Press reports about a Japanese landing on South Celebes near Kendari and on Borneo near the oil center of Balikpapan have so far remained unconfirmed.

IX. Army Situation1. Russian Front:Southern Army Group:

Enemy attacks in the vicinity of Sudak and at the Feodosiya front have been repulsed. At the 17th Army sector, the enemy succeeded in breaking into the right wing of the 9th Infantry Division. Enemy troops penetrated into Barvenkova. Cavalry units reached Aleksandrovka. Both sides used dive bombers. German and Rumanian forces are being sent to the penetration point near Izyum, while on the northern wing the enemy advance is being held up. The enemy is evidently trying to encircle Kharkov. At the 2nd Army front, cavalry troops which had broken through near Dolgoye thrust forward near Chigry but were repulsed by our forces. Our troops are ready to seal off the break.

Central Army Group:

Considerable pressure by the enemy is reported from north of Novosil. Sukhinichi was subjected to artillery fire. At the 4th Army sector, the attack on the highway was again repulsed. The 31st Infantry Division repelled enemy forces which had penetrated our lines southwest of Yukhnov in fierce fighting in temperatures as low as -40° C. Our troops succeeded in holding the position west of Medyn near Yukhnov.

Northern Army Group:

The position near Kholm and Staraya Russa was held against strong enemy attacks.

2. Finnish and Norwegian Front:

No reports have been received.

3. North Africa:

The Panzer Army again inflicted heavy losses on the already badly beaten British Armored Division which had broken out of the area around Zauiet Msus and south of it. During the day, 96 tanks and scout cars and 38 guns were either destroyed or captured. A sandstorm prevented air operations.

Defense measures for the Zauiet Msus area and salvage of captured equipment are planned for 26 Jan. Our losses during the current operations were extremely low.

26 Jan. 1942

Items of Political Importance

U.S.A.:

Sumner Welles emphasized the success of the Rio Conference which was instrumental in bringing about concerted action of major scope by all American states for the first time in history. He stated that the break of all commercial and financial relations with the Axis powers is particularly important. Full accord has likewise been reached concerning shipping and defense problems. All imports for the American continent will be controlled by a special organization.

South America:

Reuter states that a joint resolution by all countries participating in the Rio Conference has now been agreed upon after conferences with the representatives of Argentina and Chile (see War Diary 24 Jan.).

Japan:

As concerns Tojo's recent speech, it is interesting to note his hints about the future of Japanese-occupied territories. Hongkong, Singapore, and Malaya will be annexed by Japan. The Philippines and Burma are to be administrated by independent governments if those countries are willing to cooperate with Japan. His threats to Australia may be found in the War Diary of 22 Jan. It must not be overlooked that he did not mention the future fate of the Dutch East Indies. Generally speaking, however, the Japanese Prime Minister made it quite plain that for the time being the Armed Forces will have to remain in charge of reconstruction efforts in the newly acquired territories, and that civilian authorities will be able to take over only when their safety can be assured and their efforts promise a reasonable amount of success.

In the Diet, a Government representative made a significant statement to the effect that in the occupied territories Japan is ready for economic cooperation with nationals of neutral and friendly countries, particularly in the exploitation of natural resources.

As concerns the departure of the Russian Ambassador in Tokyo for the Soviet Union, the German Embassy reports that up to this time there are no signs which would indicate a basic change in Russia's attitude towards Japan.

Eire:

The German Minister in Dublin reports that De Valera has remained adamant towards all Anglo-American attempts at winning him to their side, and that he is of the opinion that the Allies will not commit any overt acts against Ireland within the near future. Such action is only expected once Britain's situation in the Atlantic has become desperate. That Britain has resumed armament deliveries to Ireland is interpreted as a sign of an improvement in the situation. It is also worth noting that the Americans have not succeeded in gaining the support of the Irish people living in the United States. Secretary of State Hull has expressly stated that the question concerning the acquisition of bases will not be reopened for the time being.

Spain and Portugal:

Newspaper reports state that Madrid awaits an official visit by Prime

26 Jan. 1942

CONFIDENTIAL

Minister Salazar.

Siam:

On 25 Jan. the Government declared war on Great Britain and the U.S.

Conference on the Situation with the Chief, Naval Staff.

I. The Chief of Operations Branch, Naval Staff reports about Group North's plans for the laying of mines in the eastern Baltic Sea and the Gulf of Finland in the spring. The Group plans to carry the mine offensive as far into Kronstadt Bay as possible. This will be possible only if the islands in the Gulf of Finland are in German or Finnish hands. The mines are to be laid by mine sweepers or motor mine sweepers. In addition to these, the Group plans to use a larger number of naval barges as well as Siebel ferries. Mines will be laid in Kronstadt Bay, other minefields in the Gulf of Finland will be reinforced and extended, and measures will be taken to prevent Russian forces from breaking out (e.g. the old battleships will operate again in the Baltic Sea entrances).

The Chief, Naval Staff endorses the proposals of Group North.

II. The Chief, Submarine Branch, Naval Staff reports that prevailing ice conditions have necessitated the transfer of submarine training facilities from the Baltic Sea to Norway. The floating living quarters and submarines will be transferred to the western Baltic Sea together with the SCHLESIIEN, and from there they will proceed to the new ports of destination.

Special Items:

Subsequent to the staff conferences in Garmisch, the Japanese Naval Attache arranged a conference with the German Naval Attache in Rome. During a discussion on the naval situation in the Mediterranean, the Japanese attempted to obtain confirmation that future German-Italian plans for naval operations will focus their attention on the eastern Mediterranean. He displayed particular interest in whether surface vessel operations against Alexandria and the Suez Canal are planned for the spring. Without making allowances for oil shortages or the unwillingness of the Italian Naval Staff to take risks, he declared that since British forces in Alexandria are notably weak at present the Italian fleet is fully capable of carrying out such operations if it makes use of the Gulf of Suda. Concerning North Africa, the Japanese believed (on 20 Jan.) that the British have not yet given up their plan for clearing Tripolitania of German and Italian troops, and stated that an attack on Sicily and Sardinia is another part of the enemy's strategy.

With regard to Japanese intentions, the Attache was of the opinion that the offensive in southerly direction will be aimed at the northern coast of the Australian mainland via Luzon, Mindanao, and Celebes, by-passing Timor (for lack of German consent out of consideration for Portugal). Thereby the Pacific and the Indian Ocean will be separated effectively and the enemy will be forced to take the long way around southern Australia.

26 Jan. 1942

CONFIDENTIAL

The Japanese does not exclude the possibility of a U.S. landing in West Africa. However, he believes such an operation more likely in the area of Iran, India, and Burma, where it would serve the dual purpose of quelling developments unfavorable for Britain in India and creating a base for military measures against Japan, although an attack on the latter would not be feasible until some future date.

Situation 26 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

According to data in the possession of the Chief, Naval Communications Division (Radio Intelligence Branch), the KING GEORGE V, DUKE OF YORK, HOWE, and RODNEY are located in the northern Scotland area. The DUKE OF YORK was commissioned in September 1941 and carried Churchill on his last trip to the U.S. One vessel of the KING GEORGE V-class which air reconnaissance spotted in Scapa Flow with two of her turrets not yet installed is probably the HOWE. According to a report from an agent, the RODNEY is in need of repairs. Therefore, only 2 of the above named 4 battleships in the northern Scotland area may be presumed fully ready for operation.

The RENOWN and RESOLUTION have been reported from the Iceland and Canada areas respectively. Both vessels are considered to be in operating condition.

The WARSPITE is undergoing repairs in the U.S.; the NELSON is being repaired on the western coast of England. The latter will probably take over the duties of the RODNEY so that she can undergo repairs.

Of the carriers, the VICTORIOUS is somewhere in the vicinity of northern Scotland, the FORMIDABLE is on the western coast of England, and the ILLUSTRIOUS is in Liverpool.

Only 3 or 4 battleships and 3 carriers in full operating condition are at this time in British home waters, while the route from Canada to the British Isles via Iceland is being guarded by 2 more heavy vessels.

The fourth carrier, the FURIOUS, is presumed to be in the vicinity of Bermuda.

Since the three battleships, the BARHAM, VALIANT, and QUEEN ELIZABETH, which up to now constituted the backbone of the British Mediterranean Fleet, as well as the MALAYA, are not in full operating condition at this time, and since the BARHAM most likely has even been sunk, only the three battleships in the Indian Ocean, the ROYAL SOVEREIGN, RAMILLIES, and REVENGE, which form the 3rd Battle Squadron, can be considered available for operations. As a result Britain has only 7 battleships ready for action at the present time.

Added to the above-named 4 carriers must be the ARGUS in Gibraltar, the HERMES and EAGLE in the Colombo area, and the INDOMITABLE in eastern India.

This weakened force of British battleships, which must be divided between widely separated operations areas, has considerably enhanced the present strategic and

26 Jan. 1942

CONFIDENTIAL

tactical value of our 3 battleships and the 5 Italian ones. Also from this viewpoint operation "Torero" is not only justified but mandatory, because the chances for effectively protecting the northern area with our consolidated heavy naval forces have never looked as promising as at the present time.

2. Own Situation:

The SPREEWALD was given sailing directions via Radiogram 1652; the directive to the SPREEWALD concerning her submarine escort from 0800 on 28 Jan. to 2400 on 1 Feb. was forwarded via Radiogram 1831.

According to a report from the Naval Attache in Rome, the Italian Navy Ministry has taken steps to notify the Italian Naval Attache in Tokyo about the departure of the FUSIJAMA on 26 Jan.

Radiogram 202 informs the DOGGERBANK that at 1200 on 27 Jan. the Naval Staff takes over her command, and describes the limits of her operations area.

II. Situation West Area

1. Enemy Situation:

At noon, air reconnaissance spotted a light cruiser 180 miles southwest of Tory Island, and an unescorted trawler, which was flying no flag and did not reply to the recognition signal, 120 miles west of Brest.

A survey of convoy traffic in the vicinity of the British Isles during December 1941, compiled by the Naval Intelligence Division, Foreign Navies Branch, may be found in the Annex to the War Diary as per 1/Skl 2197/42 Gkdos.

2. Own Situation:

Atlantic Coast:

At 1500 the Italian steamer CORTELAZZO was met by her escorts in quadrant BF 9942 while en route to Bordeaux. For measures by which Group West will bring her into port, as per key word "Schneekoppe", see Telegram 1655.

The request for improving nighttime anti-aircraft defenses for operation "Torero" submitted by the Commanding Admiral, Battleships via Telegram 0700 will be handled by the Naval Staff, Quartermaster Division and the Naval Ordnance Division. Enemy planes raided Brest during the evening. Seventy high explosive bombs were dropped. No ships were damaged.

Information forwarded to Group West and the Commanding Admiral, Submarines about directives issued to the SPREEWALD and the DOGGERBANK is in War Diary, Part C, Vol. XI, as per 1/Skl I k 200/42 Gkdos. Chefs.

Channel Coast:

Destroyers BEITZEN and JACOBI arrived in Le Havre at 0901. They carried 222 survivors of the HEINEMANN, among them all officers and upper-class midshipmen except the ship's doctor and the executive officer. It has not yet been determined whether the vessel sank as the result of a mine or torpedo hit. Via Radiogram 2146, the 5th Destroyer

26 Jan. 1942

CONFIDENTIAL

Flotilla reported on 25 Jan. the presence of enemy PT boats in the upper right-hand corner of quadrant AN 8772.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

The 11th Subchaser Flotilla is en route from Cuxhaven to Kristiansand South.

Via Telegram 1756 Group North issued instructions for the transfer of light naval forces from the Baltic Sea to the Netherlands and the West Area under the command of the Commanding Admiral, Defenses, North.

The vessels in question are 2 destroyers and 10 torpedo boats which are part of the defense forces for operation "Mandarine".

Group North arranged for shipyard facilities in Rotterdam via Telegram 1903 to Section IV of the Construction Division, Navy High Command so that any ice damage to the vessels might be repaired.

2. Norway:

Own Situation:

Repeated enemy air raids on Kirkenes during 24 and 25 Jan. resulted in minor damage to military and traffic installations. In Kristiansand South, a chimney fire destroyed headquarters of the 502nd Naval Coast Artillery Battalion.

On 26 Jan. mine layer KOBRA executed a mission in the Kas Fjord and the Kvae Fjord in order to protect Harstad. Mine layer ULM has sailed on her special mission (flanking mine field III).

The Selboe Fjord has been declared a danger area.

Via Telegram 2020 the Naval Staff has directed destroyer Z "25" to return home at once without waiting for destroyers Z "23" and "24".

The Commander, Destroyers reports that the 8th Destroyer Flotilla will not be able to sail from Kirkenes before 27 Jan., even if preparations are speeded up as much as possible. In view of ice conditions, destroyers Z "24" and "25" will sail via the North Sea and reach Weser Lightship in the morning of 1 Feb.

Destroyer Z "24" will have to undergo repairs before she can be assigned to operations. Group North will attempt to reserve space for her in a shipyard in the Netherlands, and orders destroyers Z "24" and "25" to reach the Schelde by evening of 4 Feb. at the latest.

Destroyer Z "23" is to proceed unescorted to Trondheim or Bergen, where she will undergo repairs. The Commander, Destroyers reports that only lack of facilities in Kirkenes and Tromsø justifies this measure.

For details see Telegrams 1231 and 1430.

Difficulties have arisen concerning the TIRPITZ, for which a total of 4,000 tons of fuel oil are available (see Telegram 1327), inasmuch as the Admiral, North Norwegian Coast is unable to furnish the patrol

26 Jan. 1942

CONFIDENTIAL

vessels which the battleship's captain had requested so that the gap in the mine field might be better guarded during the ship's training cruises in Trondheim Fjord. The fuel oil shortage has immobilized 11 vessels in the area of the Admiral, North Norwegian Coast, apart from the fact that altogether only 3 vessels are equipped with hydrophones and one with echo ranging gear. Moreover, the Admiral, Arctic Ocean does not consider guarding the gap in the minefield an adequate protection against penetration by submarines; instead he believes it necessary to furnish destroyer or torpedo boat protection in the immediate vicinity of the battleship.

In transmitting the above viewpoint to Group North, the Commanding Admiral, Norway takes the opportunity to point out that the Group must provide sufficient forces to enable the TIRPITZ to get under way quickly if the enemy situation warrants.

Group North comments as follows:

1. At the present time, Group North cannot furnish escort vessels of any kind to the TIRPITZ, and none will be available until the middle of February.

2. It is up to the Admiral, North Norwegian Coast to decide on short notice whether the TIRPITZ may proceed on training cruises in the Trondheim Fjord. His decision will in each case depend on the situation and the availability of escort vessels.

3. Except in emergencies, the TIRPITZ will under no circumstances be employed in regular operations prior to the arrival of escort forces from home waters. In an emergency, Group North will issue operations orders by arrangement with the Naval Staff. In such a case, an escort of vessels of the Admiral, North Norwegian Coast will have to suffice.

4. Steps will be taken to improve the fuel oil situation for purposes mentioned in paragraphs 2 and 3 above. Further details will follow. (See Telegram 2259.)

With reference to the fuel oil situation in Norway, the Naval Staff points out that the Chief, Naval Staff has once more contacted the Chief of Staff, Armed Forces High Command in order to emphasize the decisive importance of this problem.

The fact, however, that the TIRPITZ is now threatened with being immobilized as a result of a lack of the most vital escort vessels, among other things, is evidence of the intolerable situation created by the shortage of ships. The Naval Staff is therefore forced to demand that additional ships of this type be built as soon as possible.

On the basis of reported experiences with PT boats, the Naval Staff considers it appropriate to transfer the PT boats in the northern area to ice-free ports where they are to be kept ready for operation.

Group North and the Commanding Admiral, Norway have been informed accordingly via Telegram 1616. A copy was sent to the Admiral, Arctic Ocean.

As part of the measures for increasing the naval forces in northern Norway, the Naval Staff intends to transfer a PT boat flotilla to Norway (Narvik, Trondheim) by about the latter half of February. It will

26 Jan. 1942

CONFIDENTIAL

be taken from the English Channel but is not to be transferred prior to the middle of February, at which time it is to proceed to the north as fast as possible.

The Naval Staff, Quartermaster Division receives corresponding instructions and is being directed to investigate whether it is not necessary, also in view of ice conditions and the lack of tenders, to transfer the PT Boat Training Flotilla to a Norwegian port (Trondheim).

The Naval Staff, Quartermaster Division is likewise being directed to investigate under what circumstances the Fuehrer's demand to use also the small cruisers in the Norwegian area can be complied with so far as engine, shipbuilding, and personnel problems are concerned.

The Quartermaster Division is also requested to submit proposals for a further reinforcement of heavy artillery in Norway, as well as for other possible measures which might improve our situation in the northern Norway area in compliance with the Fuehrer directive.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea:

Ice conditions have further deteriorated. The Aalborg to Oslo transport group cannot sail until the arrival of icebreaker CASTOR which has put into Copenhagen.

The Naval Attache in Stockholm reports that it is out of the question to charter Swedish icebreakers because all of them are in constant use. The aid of these vessels can only be obtained upon special request whenever the occasion arises.

Steamer HELGOLAND of the 5th transport group of the 7th Mountain Division has run aground near Bogskær. Since the 2 large Finnish icebreakers which are available must be called upon for help, the entire Finnish ship traffic is tied up for the time being. The 7th transport group had to return to Danzig. The 8th group is waiting in Stettin until the icebreakers are again available.

V. Submarine Warfare

1. Enemy Situation:

The following facts were obtained by radio intelligence: There was only little reconnaissance activity on the part of the 15th and 19th Air Groups. A plane spotted a suspicious looking object, apparently a periscope, about 35 miles northwest of Porcupine Bank. Two hours later, a plane, presumably the same as before, reported an unsuccessful depth charge attack. At 1540, a plane reported from an unknown location that it had probably scored a hit in another depth charge attack.

A vessel identified as "AC" was located 200 miles southwest of Rockall Bank. SSS signals were intercepted from 3 steamers off the American East Coast. Newspaper reports state that the Norwegian motor tanker VARANGER (9,305 GRT) and the Portuguese steamer CATALINA were sunk by submarines off the American East Coast and in the vicinity of Newfoundland respectively. Horta reported the arrival of a British ship which had been torpedoed and badly damaged by a submarine, and which unloaded killed and wounded.

26 Jan. 1942

CONFIDENTIAL

2. Own Situation:

West of the North Channel, a submarine intercepted a medium-size southbound enemy convoy, whereupon nearby submarines were ordered to attack it. Submarines U "135" and "588" reported having sunk 1 steamer of 5,000 and another of 6,000 GRT in quadrants BE and AM respectively.

Submarine U "575" has been ordered to meet the SPREEWALD.

Submarine U "123" (Lt. Hardegen) brought her overall successes up to 66,000 GRT.

Further situation report as well as data about sinkings in War Diary, Part B, Vol.IV.

VI. Aerial Warfare

1. British Isles and Vicinity:

166 of our planes flew daylight missions in the West Area. A suspicious looking trawler was strafed 120 miles west of Brest.

2. Mediterranean Theater:

Our reconnaissance planes covered a wide area. Two formations of enemy ships were attacked without observation of effect.

3. Eastern Front:

The Central and Northern Army Groups were effectively supported by our planes.

4. Germany:

Between fifty and sixty enemy planes flew over Germany during the night of 26 Jan. without concentrating their raids on any specific target. Emden was the target of heavy air raids, while Wesermuende and Celle were subjected to raids of lesser intensity.

5. Organization:

Group North points to the allegedly pending decision which would reduce the staff of the Commander, Naval Air to the strength of a group. Group North fears that such a measure would make it impossible for the Navy to realize its goal of bringing the forces of the Commander, Naval Air up to their original strength. Group North therefore requests that efforts to reduce the forces of the Commander, Naval Air be categorically rejected, even if they are justified as expedient and as a means to cope with the personnel shortage, and that a demand be made for an increase in his personnel up to its previous strength. (See Telegram 1804.)

The Air Force is actually considering measures of this kind. The Naval Staff's comment will follow.

VII. Warfare in the Mediterranean1. Enemy Situation:

During the course of the day, German and Italian air reconnaissance repeatedly spotted 2 enemy convoys, one outbound from Malta and the other heading for the island. The 2 convoys met at 1200, at a point halfway between Malta and Benghazi. It is presumed that all or part of the escort forces of the convoys followed the usual procedure of relieving each other and returning with the other convoy to its port of destination. Three other convoys were located in the vicinity of Benghazi and Sidi Barrani on easterly and westerly courses. In one instance, at 1205, the Italian reconnaissance planes evidently mistook the convoy of 8 vessels outbound from Malta for a naval force consisting of 1 battleship, 3 cruisers, and 4 destroyers (see Telegram 1915).

According to radio intelligence, a convoy 40 miles northeast of Derna reported at 1630 that it was being attacked by enemy planes.

2. and 3. Situation Italy and Transport of Supplies to North Africa

Nothing to report.

In the Mediterranean, the weakness of British heavy naval forces, previously discussed under North Atlantic, Enemy Situation, has already made itself felt to the advantage of the Axis powers. Submarine operations and a greater number of planes have resulted in the total loss of the ARK ROYAL and the probable loss of the BARHAM, and in temporarily disabling or at least damaging the QUEEN ELIZABETH, the VALIANT, and the MALAYA. A considerable number of British cruisers and destroyers were likewise sunk or disabled. All these successes had a direct bearing on relieving the strained situation in the Mediterranean and have enabled us to resume shipments to Tripoli in sufficient volume. Consequently, General Rommel regained the freedom of movement which should cause him to resume his successful counteroffensive in the justified hope that supplies will continue to arrive in present quantities. Seldom has the interdependence of naval warfare, maritime shipping, and land warfare been so strikingly demonstrated as in this instance in which the areas involved afford so little room for action and events follow each other so rapidly.

4. Area Naval Group South:Aegean Sea and Black Sea:

No reports of interest have been received.

Via Telegrams 2045 and 2046 Group South requested the deactivation of the Naval Liaison Staff, Bulgaria, the activities of which can be taken over by the staff of Group South. The Group also requested that a third naval shore command be established for the Black Sea coastal area from Rostov to the Turkish frontier.

The Quartermaster Division will attend to the matter.

5. Situation France:

For a report about the disposition of French naval forces as

26 Jan. 1942

CONFIDENTIAL

of 20 Jan. based on data of the Naval Communications Division as per 1/Skl 3692/42 geh. see War Diary, Part C, Vol. XVI.

VIII. Situation East Asia

1. Enemy Situation:

The U.S. War and Navy Departments reported, among other things, that further Japanese forces have landed on Bataan. The Japanese outnumber the Americans by an ever greater margin. U.S. destroyers launched a night attack on an enemy convoy in the Strait of Macassar, allegedly sinking 2 vessels and damaging others. The Southwest Pacific High Command reports that during 23 and 24 Jan. planes raided the same enemy convoy. Overall losses inflicted on the Japanese are reported to amount to 3 vessels sunk, 4 probably sunk, and 12 damaged.

A report from the Dutch East Indies states that planes of the Dutch East Indies Army Air Force attacked Japanese vessels off Balik Papan on 24 Jan., sinking 1 large transport and damaging another transport and a destroyer. Dutch Navy planes again bombed Kuching.

Australian reinforcements have arrived in the Solomon Islands.

2. Situation Japan:

The following is an excerpt from a Japanese Headquarters communique:

On 21 and 22 Jan. air raids on Singapore and Sumatra with observed effect. Four steamers were sunk. On 23 Jan. Japanese Army troops and marines landed in the vicinity of Rabaul on New Britain. Naval riflemen landed simultaneously in Kavieng on New Ireland.

A Reuter dispatch states that 2 steamers were sunk in the Bay of Bengal. Planes raided Port Darwin.

No reports have been received about the situation on the Malay Peninsula and in Burma.

IX. Army Situation

1. Russian Front:

Southern Army Group:

At the 17th Army sector our troops mopped up the enemy forces which had penetrated our lines near Troitskoye. In the breach near Izyum, massed enemy forces were able to advance to within 20 km southwest of Aleksandrovka. The supply road is being threatened by enemy cavalry. At the 2nd Army sector, enemy troops are continuing to exert pressure at the point at which they have penetrated our lines west of Dolgoye. Enemy attacks at all other sectors of the Army Group were repulsed.

Central Army Group:

The 18th Panzer Division has established contact with our

26 Jan. 1942

CONFIDENTIAL

troops in Sukhinichi. The first column of sleighs carrying wounded has left. During the morning hours, enemy troops temporarily obstructed the highway. All other enemy attacks at the Central Army Group sectors were repulsed. Part of the terrain and localities were retaken in a counterthrust.

Northern Army Group:

Enemy attacks at the sectors of the 16th Army were repulsed. Kholm is still in our possession. At the 18th Army sector, the I Army Corps successfully attacked enemy troops at the breach near Yamno. Communications with Moski were reestablished.

No reports have been received from the Finnish and Norwegian front.

2. North Africa:

Remnants of the enemy forces which were defeated near Zauiet Msus have withdrawn in northerly direction. Our reconnaissance planes spotted enemy reinforcements moving into Cyrenaica. For the first time, a French division was located in the vicinity of Derna.

Between 21 and 25 Jan. the enemy lost 285 armored vehicles which our forces destroyed or captured, among them some of Canadian origin bearing the stamp Dec. 1941, 127 guns including antitank guns, 583 vehicles, 28 planes, and other supplies. Equipment destroyed by the Air Force is not included in these figures.

27 Jan. 1942

Items of Political Importance

Great Britain:

The attitude of the Russian trade union delegates during their recent visit to England, particularly in accusing the English people of lack of willingness to support the war effort, has caused embarrassment.

North Ireland:

The British War Office reports that U.S. troops have arrived in North Ireland. Troop contingents of several thousand men of the various branches of the service have been landed. An agent had reported as early as 8 Jan. that advance units in the strength of at least 2 divisions, as well as a great number of guns, a complete repair squadron of 150 men, airfield equipment, anti-aircraft artillery battalions, 1 transport carrying rations, tanks, and so forth, have been landed in the ports of North Ireland. Ship movements were very lively in the harbor of Belfast which served not only as a transit point for vessels bound for England but also as an assembly point for convoys. As early as the beginning of January U.S. forces relieved the R.A.F. on 8 airfields.

Australia:

A remark by the Australian Prime Minister, which Reuter has subsequently suppressed in its press releases, shows the disagreement between Australia and her mother country. Curtin said that "no nation can stake its future on the infallibility of one man (Churchill) nor can it renounce its right to be heard". For the rest, he demanded an all-out effort on the part of all Australians in defending their soil, their women and children.

Finland:

A United Press dispatch states that Allied quarters have given up hope for a separate peace with Finland.

Iran:

The Parliament has ratified the treaty with Great Britain and Russia, details of which are unknown.

South America:

The Political Committee of the Rio Conference resolved the following:

1. Diplomatic relations with German-occupied countries will be maintained insofar as their governments are not collaborating with the Axis.

2. Radio communications with the Axis powers and German-occupied countries will be discontinued and all telecommunications will be put under strict control.

The Committee also accepted a proposal according to which the United States and its Allies will be declared nonbelligerents.

A so-called Rio Charter, based on the principles of the Atlantic

27 Jan. 1942

CONFIDENTIAL

Charter, was likewise accepted.

In addition to Uruguay, Bolivia and Paraguay have broken diplomatic relations with the Axis powers. All Axis consulates in Ecuador have been closed.

Generally speaking, the United States has to all intents and purposes obtained what it wanted at the Rio Conference. The reservations voiced by Argentina and Chile will probably result in the Argentine Parliament's ratification of the Conference resolutions. As for Chile, however, there is still some hope that the country will continue to oppose a break of relations if Ibanez defeats the Popular Front candidate in the impending presidential election. Brazil is expected to break relations on 2 Feb.

Conference on the Situation with the Chief, Naval Staff.

In view of the prevailing ice conditions in the Baltic Sea, Admiral Carls (Commanding Admiral, Group North - Tr.N.) proposes transferring the pocket battleships and heavy cruisers to Norway and the light vessels to the Netherlands and the West Area.

Due to the fuel oil shortage, only a transfer of vessels essential to naval warfare can be recommended.

The Chief, Naval Staff agrees. We must by no means allow our battle forces to become "frozen" in the Baltic Sea.

Ice conditions also make it necessary to consider thoroughly the question whether operation "Torero" is at all feasible, and where to transfer the vessels in case the river estuaries are blocked by ice. Prospects for an improvement in ice conditions are not too favorable.

A feasible solution is an immediate transfer to Trondheim or into the Skagerrak. The decision on such a measure and its execution will have to depend on prevailing circumstances and, among other things, also on the condition of the vessels, i.e., whether they are damaged or in full operating condition. Preliminary considerations, however, should take into full account all problems which might arise in the future.

Special Items:

I. The reports on the situation for November 1941 issued by the armament offices complain about the industry being overburdened with orders and point to the need for a well-planned priority system regulating orders, as well as for coordination between quantities ordered and plant potential.

The fuel and power shortage, as well as steadily dwindling coal supplies are adversely affecting the productive capacity of industry. The labor shortage has become more acute. The traffic and transport situation is particularly critical.

The morale of the workers is said to be low in some of the districts. Symptoms of fatigue are increasing.

II. The U.S. Embassy in Madrid has proposed the resumption of the exchange of certain goods between Spain and the U.S. In view of the extremely grave shortages, the Spanish Foreign Office is inclined to work out an acceptable basis for such an exchange. Transport of goods in U.S. bottoms, or U.S. supervision of consumption in Spain can, of course, not be tolerated. The problem will first be solved in its political and economic aspects, and then resubmitted to the Naval Staff.

Situation 27 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Distribution of U.S. battleships and carriers:

At the outbreak of hostilities, 9 U.S. battleships were located in the Pacific (WEST VIRGINIA, COLORADO, MARYLAND, CALIFORNIA, TENNESSEE, ARIZONA, PENNSYLVANIA, OKLAHOMA, NEVADA). Eight of these were in Hawaii. On the basis of aerial photographs the Japanese maintain that 4 of these vessels were sunk, 3 were badly damaged, and 1 sustained minor damage. Neither the class nor the names can be identified. The U.S. has admitted the total loss of the OKLAHOMA and the ARIZONA. An agent in Mexico, whose reliability cannot be ascertained, reports that also the WEST VIRGINIA and the PENNSYLVANIA are total losses. According to these reports, only 2 battleships of the Pacific Fleet, including those reported slightly damaged in Pearl Harbor, were in operating condition after 7 Dec. 1941.

The TEXAS, the NEW YORK, and the ARKANSAS are considered slow and of little use although they were modernized, and will therefore not be sent into action.

At the outbreak of war, U.S. forces in the Atlantic comprised 3 vessels of the IDAHO class (NEW MEXICO, MISSISSIPPI, IDAHO), as well as the 2 modern 35,000 ton battleships NORTH CAROLINA (in service since 19 May 1941) and WASHINGTON (in service since 15 May 1941). According to a Japanese report, these 2 vessels passed through the Panama Canal on 14 Dec. 1941 and sailed from San Diego on 29 Dec., destination unknown. The situation in the Atlantic and the Pacific would seem to corroborate these reports. Aircraft carriers are distributed in a ratio corresponding to that of the battleships. According to available reports, 5 carriers (SARATOGA, ENTERPRISE, WASP, YORKTOWN, and, unless sunk, LEXINGTON) must be assumed to be in the Pacific, a number which corresponds exactly to that of the battleships in the same area. This distribution is all the more probable since it has to be assumed that Britain and the U.S. are trying to achieve a balance of forces with the Japanese fleet by pooling 3 British and 4 U.S. battleships and 3 British and 5 U.S. carriers in the Pacific and the Indian Ocean.

According to these figures, 5 British and 3 U.S. battleships in operating condition, as well as 5 British and 2 U.S. carriers (RANGER, HORNET) would be located in the Atlantic.

Since the heavy losses resulted in an almost exact parity between battleships and carriers in operating condition, the tactical requirement of "a carrier for each battleship", which has to be raised in view of the vulnerability of the heavy vessels to air attacks and on the basis of the experiences in Hawaii, Malaya, and the Mediterranean, can in this

27 Jan. 1942

CONFIDENTIAL

case be met almost to the letter.

South Atlantic:

On 27 Jan. the U.S. destroyer WINSLOW sailed from Natal. On 24 Jan. the auxiliary cruiser BULOLO arrived in Montevideo. French reports state that on 19 and 20 Jan. 2 British battleships arrived in Freetown (the vessels in question are presumably 10,000 ton cruisers). An important convoy was expected to arrive in Freetown on 25 Jan.

Pacific Ocean:

According to a report from the Attache in Buenos Aires, the harbors of San Francisco, Los Angeles, and San Diego are protected by anti-submarine nets. The same source reports that the following vessels were sunk in Pearl Harbor on 7 Dec. 1941: WEST VIRGINIA, OKLAHOMA, ARIZONA, PENNSYLVANIA, and target ship UTAH.

Indian Ocean:

According to a report from the Admiral, France, apparently from an official French source, 55 British steamers were located between Suez and Aden on 11 Dec., 70 steamers on 20 Dec., and another eastbound British convoy on 7 and 9 Jan. Convoys of similar size were also reported from the Cape of Good Hope route. On 23 Dec., 30 merchantmen and 20 naval vessels were lying in Freetown, among them 2 battleships and 1 carrier; on 27 Dec., 40 merchantmen and 10 torpedo boats were reported lying in the same harbor.

2. Own Situation:

The Italian motor ship CORTELAZZO has arrived in Bordeaux. The blockade runner is carrying 5,238 tons of cargo, 3,909 of which are for Germany. This contingent consists of 1,800 tons of peanuts, 1,600 tons of various oils and 60 tons of fats in barrels, 124 tons of tea, hemp, sisal, rubber, etc. (See Telegram 2145.)

Via Radiogram 1534, the DOGGERBANK has been informed that on 27 Jan. at 1800 the Naval Staff will take over her command. The radiogram also directed the vessel to remain to the north of point "Briefumschlag" while she is south of 30° latitude, and to remain west of the longitude of this reference point.

The following directive has been sent to ship "10" via Radiogram 1947:

a. Sailing orders changed. Proceed directly to antarctic for operations against enemy whaling fleets. Attempt to leave Atlantic unnoticed. Enemy presumably ignorant of departure ship "10", chance to arrive antarctic unexpectedly.

b. Naval Staff expects arrival in antarctic about mid-February if the fuel is used carefully. Two to three weeks operations still possible before end of whaling season. Subsequently first rendezvous with REGENSBURG which has received instructions to sail on or after 5 Feb.

c. Although uncertain on basis of available data whether factory ships employed and therefore danger of air raids, sudden attack essential in view of importance of whaling fleets. Also desired not to alert enemy vessels in Atlantic before DOGGERBANK, REGENSBURG, and TANNENFELS have been able to depart, the DOGGERBANK has carried

27 Jan. 1942

CONFIDENTIAL

out her mission, if possible as a surprise move, and homebound blockade runners have reached port.

d. DOGGERBANK departed 21 Jan. On 27 Jan. Naval Staff takes over command. Location on 7 Feb. point "Schnellhefter", 12 degrees farther south and 7 degrees farther east than point "Kiruna". Point "Stempelkissen" located 1 degree farther south and 19 degrees farther east than point "Groningen".

All vessels in foreign waters were informed about German submarine successes via Radiogram 0548.

Information about the enemy situation as well as location of approved French and Swedish vessels via Radiograms 0114, 1031, and 1908.

II. Situation West Area

1. Atlantic Coast:

Enemy planes raided Brest during the night of 26 Jan. without causing casualties or damage.

2. Channel Coast:

The 5th Destroyer Flotilla is en route from Le Havre to Brest. At noon, enemy air activity in the Ostend area. Harbor patrol vessels rescued 7 more men from the HEINEMANN.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

At 1405, radio intelligence located a British ship, presumably a submarine, about 150 miles west of Sylt.

Own Situation:

An enemy air raid on Emden and Rotterdam during the night of 26 Jan. resulted in damage and casualties. For details see Telegrams 0721, 0830, and 1930.

The 11th Subchaser Flotilla has arrived in Kristiansand. The Fleet Command announces its intention to transfer the SCHEER to Brunsbuettel inside the lock on 29 Jan.

2. Norway:

Enemy Situation:

Radio intelligence reports that British vessels continued to be seen in the Svyatoi Nos and Kanin Nos areas. Air reconnaissance spotted the following vessels in Murmansk: 5 large, 2 medium, and 1 small freighter; 2 submarines; 1 floating dock; 2 vessels in dry dock in the shipyard. At 1330, 1 destroyer was sighted 90 miles north.

27 Jan. 1942

CONFIDENTIAL

west of North Cape; the destroyer opened fire as our plane approached but ceased firing as soon as the plane had given the recognition signal. A submarine was sighted 15 miles east of Nordkyn.

Own Situation:

The 8th Destroyer Flotilla left Kirkenes en route to Tromsø and dropped depth charges on an enemy submarine 15 miles east of Ostkyn without success. In the same vicinity, an enemy submarine unsuccessfully fired torpedoes at vessels escorted by subchaser "1707".

The LUEDERITZ and the 8th PT Boat Flotilla have been transferred from Vadsø to Kirkenes. Patrol vessel NORDLICHT reports an unsuccessful submarine chase in quadrant AC 7359 on 26 Jan.

Upon orders from the Chief, Naval Staff (see War Diary 24 Jan.), the Naval Staff's comprehensive estimate of the situation concerning northern Norway with respect to that area's role as the zone of destiny in this war, and the Naval Staff's directives for reinforcing the defenses of that area, have been forwarded to Group North, the Commanding Admiral, Norway, the Commanding Admiral, Submarines, with copies to the Fleet Command, Group West, Group South, the Admiral, Rome, and the Quartermaster Division. (Copy of the order as per 1/Sk1 I a 222/42 Gkdos. Chfs. in War Diary, Part C, Vol. IIa.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

Ice conditions remain unchanged. Group North has established the following priority schedule for ice breaker operations:

1. Troop transports from Aalborg to Oslo.
2. A single convoy from Gdynia to Kiel together with the SCHLESSEN.
3. Army transports from Danzig to Libau.
4. Supply and coal transports Stettin-Danzig-Pillau, and Stettin-Denmark.
5. Keeping the Kaiser Wilhelm Canal open for submarines.
6. Supply transports and any other assistance required by prevailing circumstances.

The transports from Aalborg to Oslo have been resumed. The 6th group of the 7th Mountain Division has arrived in the inter-island waters off Utoe.

For the duration of adverse ice conditions in Oslo, troop transports will unload in Kristiansand South. For the time being they will not take troops on their return voyage.

Destroyers IHN, FALKE, CONDOR, and torpedo boats T "13", "15", and "17" are scheduled to be transferred to the West Area on 29 Jan. Torpedo boat T "16" is expected to arrive in Kiel together with the convoy escorted by the SCHLESSEN. For the time being, torpedo boat T "14" cannot be transferred from Flensburg to Kiel.

V. Submarine Warfare1. Enemy Situation:

Army radio intelligence reports that the convoys en route from Londonderry to Reykjavik are passing through the North Minch. An agent reports that damaged transports are expected to lay over in Horta for a week. Radio intelligence intercepted the following reports from the American East Coast:

The U.S. steamer PAN-MAINE (7,237 GRT) radioed an SSS about 40 miles east of Norfolk; and at 1815 the U.S. tanker GULFQUEEN likewise radioed a message about sighting a periscope at an unidentified location. A submarine torpedoed the U.S. tanker HALO off Cape Hatteras. On 25 Jan. a wreck with the bow protruding above the water was reported about 200 miles north of Cape Hatteras. The U.S. tanker BETTINGHAM reported sighting a submarine about 200 miles southwest of Cape Hatteras.

2. Own Situation:

A few hours after the Armed Forces High Command communique had announced the sinking of the BARHAM by submarine U "331" 50 miles north of Sidi Barrani on 25 Nov. 1941, the British Admiralty promptly confirmed the report by a corresponding announcement.

For the far-reaching effect of these submarine successes against heavy enemy vessels in the Mediterranean see War Diary 26 Jan., Situation Italy.

Contact with the convoy west of the North Channel (see War Diary 26 Jan.) could not be maintained.

For further reports about submarine successes off the American East Coast, as well as for a supplementary report on the situation see War Diary, Part B, Vol. IV.

VI. Aerial Warfare1. British Isles and Vicinity:

Nothing to report.

2. Mediterranean Theater:

In the afternoon of 26 Jan. Italian torpedo bombers attacked an enemy naval force northwest of Benghazi and scored 3 torpedo hits on one cruiser and another torpedo hit on another one. In their operations against an enemy naval force and a convoy southeast of Malta, planes scored a total of 3 bomb hits and 1 torpedo hit on 1 cruiser, 1 destroyer, and 1 steamer, respectively. Four planes dropped mines in the harbor of Valletta during the night of 26 Jan.

3. Eastern Front:

Planes supported Army operations on all sectors.

VII. Warfare in the Mediterranean1. Enemy Situation:

The ARGUS and 6 destroyers carried out maneuvers off Gibraltar. An agent reports that the MALAYA is expected to depart and that British vessels from Malta are expected to arrive in Gibraltar for repairs.

The British Admiralty announces that only 300 of the BARHAM crew were saved, among them Vice-Admiral Whippel.

In the morning of 27 Jan. Italian reconnaissance planes sighted the Malta-bound convoy which had previously been spotted on 26 Jan. It comprised 2 cruisers, 5 destroyers, and 1 merchant vessel. The latter was listing, apparently as the result of a bomb hit received on 26 Jan. (see Aerial Warfare). In the morning of 27 Jan. German reconnaissance planes sighted the eastbound convoy which had previously been spotted on 26 Jan. en route from Malta northwest of Tobruk. The convoy consisted of 3 cruisers, 9 destroyers, and 2 large steamers. The other convoys reported the day before were not intercepted again, particularly not the one comprising only warships, including 1 battleship (see War Diary 26 Jan.).

Radio intelligence reports that there is no confirmation of the intelligence report according to which the QUEEN ELIZABETH sank in shallow water in Alexandria. According to reports from other sources, the battleship had repeatedly been at sea after 18 Dec. while the VALIANT was undergoing repairs in dock.

2. Situation Italy:

No reports of interest have been received. The lively convoy traffic between Malta and Benghazi which was again observed in recent weeks holds promise for an effective employment of standard mines type C on Medina Reef or north of it.

The German Naval Command, Italy has been informed accordingly via Telegram 1/Skl I E 21131/42 Gkdos. Text of the telegram in War Diary, Part C, Vol. VI.

3. Transport of Supplies to North Africa:

The transports are proceeding according to plan. The 3rd transport group and unescorted vessels for Tripoli are being loaded.

4. Area Naval Group South:Aegean Sea:

The Naval Staff agrees to Group South's proposal for withdrawing submarines from the entrance to the Dardanelles because Russian tankers which arrive in Istanbul return as a rule to the Black Sea, and for the time being are not forced to evacuate those waters. (See Telegram 1820.)

Black Sea:

One destroyer and 3 transports landed new enemy troops in the strength of a regiment in Sudak. Otherwise nothing to report.

VIII. Situation East Asia1. Enemy Situation:

A Japanese agent reports that around the end of the year no heavy vessels were located either in San Francisco, Los Angeles, or San Diego. The same report (see Telegram 0428) contains information about the vessels sunk in Pearl Harbor on 7 Dec. 1941 (see War in Foreign Waters, Enemy Situation), and also mentions an extremely naive plan of the U.S. concerning aerial and naval warfare against Japan.

2. Situation Japan:

For Attache reports from Tokyo and Bangkok of 23 and 25 Jan. concerning the increasing Japanese successes on the Malay Peninsula, Luzon, and the Sunda Islands, as well as in the South Sea, see daily situation report. According to newspaper reports, Japanese submarines sank 13 vessels totalling 88,000 GRT in the waters around Sumatra and Java during the period ending 22 Jan.

IX. Army Situation1. Russian Front:Southern Army Group:

Our troops have taken Sudak. Enemy attacks at the Feodosiya front were repulsed.

At the 17th Army sector the enemy attacked Krivorozhe. In the area of the 6th Army continuous snowfalls halted all troop movements. Apparently for the same reason, the enemy failed to launch the expected thrust towards the northwest in the Donets basin. At the 2nd Army sector our troops succeeded in gaining ground in northeasterly direction southwest of Dolgoye. All other enemy attacks were repulsed.

Central Army Group:

Local penetrations of enemy troops west of Byelev were mopped up. The situation near Sukhinichi continues to develop in our favor. The highway from Roslavl to Moscow has been blocked in the area of Taltichev. Enemy units in the rear of the 4th Panzer Army have temporarily blocked the highway from Vyazma to Smolensk near Yakushkino in their advance from the north. 400 enemy parachutists were dropped from 20 planes near Mitino. Enemy pressure in the Rzhev area is increasing.

Northern Army Group

Fierce fighting is reported from the vicinity of Staraya Russa. Near Yamno, enemy troops have penetrated our lines between the 125th and 126th Infantry Divisions.

2. Finnish and Norwegian Front:

Situation unchanged.

3. North Africa:

No engagements are reported except for patrol activities in

27 Jan. 1942

CONFIDENTIAL

the area north and northwest of Zauiet Msus. Our troops provided themselves with supplies and continued salvaging captured material.

28 Jan. 1942

Items of Political ImportanceGreat Britain:

In a talk in the House of Commons on 27 Jan., in which he demanded an unconditional vote of confidence in the government, Churchill explicitly took upon himself the full responsibility for everything that has happened. He defined the policy of the Cabinet, which had to attempt to overcome the extraordinary danger which would have arisen if the Near East with its oil resources, Egypt, and the Mediterranean had fallen into German hands as the result of a successful termination of the German campaign against Russia. Under these circumstances it seemed necessary and proper to put the main emphasis on Russia and Libya and to try, at considerable cost, to avoid complications with Japan, at least as long as the United States had not also been drawn into the war. It would have been absolutely wrong to have given in to demands for an invasion of France or the Netherlands. In the meantime the danger referred to has been overcome as the result of the change in the Russian theater; on the other hand, however, Japan has unexpectedly entered the war. The favorable situation in the Near East and Libya, which has not seriously been affected by Rommel's new success, has now made it possible to do more for the defense of the Indian Ocean than heretofore. The year 1943 will bring the decision in East Asia. However, a defeat of Japan will not necessarily lead to the defeat of Hitler, while the defeat of Hitler will permit the Allies to concentrate all their forces against Japan. This does not reduce the Pacific to a theater of lesser importance. Churchill also discussed the case of Hess, whose mission supposedly was to bring about the downfall of the Churchill clique. He pointed out that there have been delays in delivering war materiel because of bad weather on the Eastern Front. The main objective in Libya was to destroy Rommel's army. Speaking about East Asia, the Prime Minister stated that the limiting factor for aid by the home country is not troops and equipment, but rather the transportation problem. At the moment the Japanese have gained naval supremacy in the Pacific. Churchill announced that a Committee of the Combined Chiefs of Staff is to be formed in Washington in agreement with Roosevelt, and that a top-level council for the Pacific is to be set up, also with headquarters in Washington on the desire of Australia. New Zealand is now included in the so-called Anzac zone, and is under the command of the U.S. It has been agreed that representatives of the Dominions will be included in the British War Cabinet. Australian troops will not be prevented from returning to their country. Finally Churchill also announced that the first of the American troops have arrived in the British Isles. The most important task in the joint British-American effort is to increase shipping space.

The texts of three agreements between Churchill and Roosevelt have been published in a White Paper. These set up agencies which are to deal with the allocation of war materiel, distribution of shipping space, and raw materials. The agency for allocating war materiel is to form a pool of all munitions factories in Great Britain and the U.S.; the agency for allocating shipping space is to do likewise with regard to ships.

U.S.S.R.:

According to a report from a diplomatic source, it is doubtful whether the Russian ambassador will return to Tokyo from his home leave. An agreement has been reached on the mine incidents off Vladivostok. The conferences concerning a fishing agreement are progressing satisfactorily.

28 Jan. 1942

CONFIDENTIAL

Canada:

A bill concerning universal military service has been introduced in Parliament.

Italy:

According to a diplomatic report, Italy considers it particularly important that Germany and Italy cooperate closely in matters growing out of the break in diplomatic relations with the South American countries. The large number of Italian citizens in South America plays a certain role in this problem.

South America:

The final version of the decision reached by the Rio Conference with regard to breaking off relations is as follows:

1. The American republics reaffirm their declaration, according to which they consider any act of aggression by a power outside of their hemisphere against any one of them as directed against them all, since this constitutes a direct threat to the liberty and independence of America.

2. The American republics reaffirm their unlimited solidarity and their resolve to cooperate in mutual defense until the effects of the present attack have passed.

3. The American republics, obedient to the principles laid down by their own laws, will make allowance for the position and the conditions of each separate country with regard to the present conflict. In recognition of the above, they recommend breaking off diplomatic relations with Japan, Germany, and Italy, since Japan attacked American territory, and Germany and Italy declared war on the U.S.

4. Finally the American republics declare that they will consult with each other before resuming the relations referred to in the above paragraphs, so that their action will express their solidarity.

In Argentina the version adopted is regarded as a complete Argentine victory. According to the Argentine constitution, congressional approval is needed only to declare war or to make peace, but not for breaking off diplomatic relations.

According to Reuter, Vargas, the president of Brazil, has signed a decree which breaks off relations with the Axis powers. Nine German and two Italian commercial concerns in Rio de Janeiro were closed by the police. The German newspaper in Rio had to stop publication.

Situation 28 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

According to an Italian report, renewed investigation has

28 Jan. 1942

CONFIDENTIAL

shown that the warships which were reported from the Cape Verde Islands are British and not American after all. Since the ships were unable to refuel at sea because of bad weather, they dropped anchor in the roadstead.

According to the report from the Foreign Office, the steamer SANTA LUCIA left Buenaventura in Colombia for New York on 21 Jan. via the Panama Canal. The German Legation personnel from Colombia is aboard the ship. No further details are known. According to press reports a U.S. warship arrived in Casablanca in order to take on U.S. citizens from French Morocco. Ship traffic between Spain and the U.S. will be resumed on 7 Feb., when a Spanish steamer will leave Vigo for New York.

No further reports on the enemy situation.

2. Own Situation:

Radiogram 1149 informs blockade runner SPREEWALD that a submarine wishes to turn over one slightly and one severely wounded person on 29 Jan. at 2400 at point "Willi"; the radiogram also contains instructions as to procedure.

Radiogram 0602 informs ship "10" about an agent report concerning the floating whale factories SOUTHERN PRINCE and SOUTHERN QUEEN.

Radiogram 2258 informs all blockade runners about the arrival of the CORTELAZZO, the loss of the BARHAM, and the fact that the German submarine successes on the East Coast of the U.S. have increased to 280,000 GRT.

II. Situation West Area

1. Enemy Situation:

No special reports.

2. Own Situation:

Atlantic Coast:

The 5th Destroyer Flotilla with the BEITZEN and the JACOBI arrived in Brest in the morning. According to the Commander, Destroyers, Z "29" and the IHN still require a three to four day training period in the west area. Until further notice, Z "29" will be under the command of the 5th Destroyer Flotilla (see Telegram 1730).

Group West is informed (copy to Commanding Admiral, Submarines) that Etappe supply ship REGENSBURG has received permission to leave on 5 Feb. Group West will set the exact time of departure and will be in command as far as 30° W. There will be no submarine escort.

The REGENSBURG is in Bordeaux ready for departure. She is scheduled to supply ship "10" and subsequently to proceed to Japan.

Channel Coast:

28 cm. coastal batteries fired ten rounds at a convoy off Dover between 2056 and 2103. No results were observed.

See 1/Skl I.E 1763/42 Gkdos. in War Diary, Part C, Vol. VI for explanations and instructions by the Naval Staff regarding time-setting for mines laid by PT boats.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

According to radio intercept service, 2 motor gunboats were at sea off Dover. During the night several mine sweepers and escort vessels were probably engaged in protecting a convoy.

Own Situation:

Heavy enemy air raids on Holland and East Frisia in the afternoon and evening. A hospital ship and two mine detonating vessels were damaged in Rotterdam. Again severe damage in the shipyards. Naval anti-aircraft shot down one enemy plane. Mine sweeper M "1408" sank in the harbor of Rotterdam as the result of a bomb hit.

Only strongly constructed steamers are able to navigate the Elbe because of drift ice. On the Weser and the Jade Rivers light steamers are encountering difficulties. Shipping on the Ems River has been stopped. The ice situation in the German Bight has become more serious because of the west wind. Icebreakers have been put into operation on the Elbe and the Ems Rivers. The Kaiser Wilhelm Canal has been closed for vessels slower than 10 knots.

2. Norway:

Enemy Situation:

According to an intelligence report, the FURIOUS lost many planes in the Arctic Ocean as the result of bad weather. The carrier is going back and forth regularly between Moray Firth and Murmansk escorting convoys and ferrying planes. Air reconnaissance of 25 Jan. reports that a merchant vessel of 2,000 GRT was beached at 67° 50' N, 40° 40' E; two escort vessels were in the vicinity.

It is possible that this represents a success of minefield "Kuesel I". (Telegram 1919 informs Group North, Commanding Admiral, Norway, and Admiral, Arctic Ocean accordingly.)

Own Situation:

U "454" left Kirkenes for the operations zone. The operational readiness of the TIRPITZ is limited temporarily; the turbo-motor is being repaired in the shipyard.

Group North; Commanding Admiral, Norway; Commanding Admiral, Submarines; and the Fleet are requested to send their chiefs of staff (Commanding Admiral, Submarine his chief of the operations section) to a conference at the Naval Staff on 2 Feb.

A report by the Naval Staff Intelligence Division evaluates the possi-

bilities of an enemy landing in northern Norway on the basis of available information. The Intelligence Division believes that the enemy has serious plans for an operation against northern Norway for the coming spring and the year 1942, since the problem is acute for Britain and Russia, and is worth every effort. Extensive preparations have already been made in the jumping-off harbors of the United Kingdom, Ireland, and North America. There could be no more opportune moment than the present for a large-scale operation. Success is always possible in the area north of Trondheim.

In the opinion of the Naval Staff Operations Division, the documents accompanying the report cannot all be accepted as proof that the opinion of the Intelligence Division is correct. These speak mainly of nuisance raids, and not of large-scale operations. On the contrary, precisely these reports, together with the fact that large shipments are being made to the Near and Far East, emphasize again and again the primary importance of shipping space. It is shipping space which may prove to be the greatest obstacle to a large-scale operation against Norway, as long as the other tasks must be fulfilled.

For a copy of the report of the Naval Staff Intelligence Division and the accompanying documents, together with the opinion of the Naval Staff Operations Division, see War Diary, Part C, Vol. IIA.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

The ice in the Kattegat is as thick as 60 cm., and there are ice barriers up to 4 m. In the western Baltic Sea the ice situation is growing more serious. The Little Belt is closed. The Great Belt and the Sound still present great difficulties for heavy steamers aided by icebreakers. Ferry communication between Gjedser and Warnemuende is being maintained.

All supply and merchant shipping from the Baltic Sea to the Norwegian area is being routed through the Kaiser Wilhelm Canal and the North Sea. Only troop transports are to be continued from Aalborg, if possible. Group North is investigating whether these transports can be speeded up by embarking the troops in Cuxhaven and Hamburg.

A Finnish icebreaker has taken on the troops from the transport HELGOLAND, which ran aground and sprang a leak at Bogskaer. The horses are being transferred to another icebreaker. The SCHLESIEEN convoy departed on schedule and is anchoring overnight at Dornbusch.

The Fleet has temporarily postponed the transfer of the SCHEER to Brunsbuettel; one-day readiness is being maintained. (See Telegram 1720.)

V. Submarine Warfare

1. Enemy Situation:

The following information was gathered by the radio intercept service: a plane reported bombing a submarine 25 miles southwest of Holy Head; 3 hits were probably scored. British ships were at sea 200 miles south and 240 miles southwest of Rockall Bank, 350 miles

north of the Azores, and 300 miles southwest of Cape Vilano. The British tanker BRITISH CORPORAL sent a distress signal reporting pursuit by a submarine 70 miles east of Cape Breton. The U.S. tanker OLNEY (7,294 GRT) was pursued by a submarine 150 miles north of Cape Hatteras; an abandoned ship was reported in the same area.

The Admiralty announced that submarine U "433" was sunk on 16 Nov. 1941 by the corvette MARYGOLD in the area in which the ARK ROYAL was lost.

According to the Times, letters and packages which were sent from England to the Faroes between 23 and 15 Nov. (sic, Tr.N.) and packages sent to Hong Kong, China, and the Philippines between 19 and 21 Nov. were lost.

2. Own Situation:

For submarine successes in the western Atlantic and supplementary situation reports see War Diary, Part B, Vol. IV.

The Naval Staff decides not to send a third submarine into the Mediterranean unless this should become necessary because of further losses.

Commanding Admiral, Submarines is informed about the directive sent to the SPREEWALD via Radiogram 1149.

VI. Aerial Warfare

1. British Isles and Vicinity:

Enemy air raids during the night of 28 Jan. on the Rhenish-Westphalian industrial area and Holland. The attacks centered on Rotterdam and Schiedam. For damage to the Rotterdam shipyards see Situation North Sea.

2. Mediterranean Theater:

For the first time British long-range night fighters were observed over Sicily in the night of 27 Jan. A Ju 88 was shot down over Comiso while taking off.

3. Eastern Front:

Little air activity over the southern part of the Eastern Front because of the danger of icing. In the central and northern sectors the Air Force effectively supported Army operations. Our attacks were concentrated north of Novgorod, at the Volkhov River, and east of Staraya Russa. German troops were flown to Demyansk.

4. Special Item:

The Air Force Operation Staff requests urgently that wishes of the Navy for reconnaissance and escort service, etc., over and above that ordinarily provided, should be directed exclusively to the Commander in Chief, Air in good time, i.e., 4 to 6 days in advance. This incident was occasioned by a request for escort and reconnaissance on short notice which was made by a naval station to the 3rd Air Force in connection with a naval operation unknown to the Commander in Chief, Air;

the 3rd Air Force passed this request on to an air corps outside its own area. In the future air force commands under the Commander in Chief, Air are not permitted to carry out requests of the Navy which they cannot fulfill with available forces without neglecting the tasks ordered by the Commander in Chief, Air.

The Naval Staff has informed the Air Force Operations Staff (copy to the Armed Forces High Command Operations Staff) that the request of the Commander in Chief, Air has been transmitted to the naval Group commands. The Naval Staff for its part requests that the Air Force commands be directed to inform the naval stations involved in case the available forces are not sufficient, so that the request can be directed to the Commander in Chief, Air via the Naval Staff as asked. For copy of this telegram see 1/Skl 1865/42 Gkdos. and 1/Skl I L 2058/42 Gkdos. in War Diary, Part C, Vol. V.

VII. Warfare in the Mediterranean

1. Enemy Situation:

According to an intelligence report from Spain, the MALAYA has taken on a plane, and it is therefore assumed that the ship will depart soon. According to the report of an Italian agent from Egypt on 26 Jan., a badly damaged light cruiser is off the Marmarica coast being towed to Alexandria by a destroyer. In the afternoon of 28 Jan. there were two light cruisers, 7 destroyers, 9 submarines, and 6 steamers in Valletta. A plane sighted 32 ships in the harbor of Alexandria. No enemy forces were sighted in the central and eastern Mediterranean. According to the report of an Italian agent, 12 steamers and no warships were lying on the bottom of the Suez Canal in the middle of November; 3 of these were in the entrance to Port Said, 2 were between there and Ismailia, 4 were in the lake area near Suez, and 3 directly at Suez.

2. Own Situation:

The 6th Motor Mine Sweeper Flotilla will attempt to continue its voyage on the Saone and Rhone Rivers on 30 Jan., and to break the ice barrier at the Saone bridges with the help of tugs.

The German Naval Command, Italy reports that the Commanding General, Armed Forces, South has given orders to prepare increased attacks on Malta by the German Air Force units assembled in the Mediterranean area, in order to eliminate Malta as a base for enemy air and naval forces. The offensive is to begin early in February. The German Naval Command, Italy has submitted suggestions for participation of the German and Italian Navies to the Commanding General, Armed Forces, South and the Italian and German Navies. According to these suggestions, the Air Force is to smash or paralyze the offensive and defensive power of the island, while the naval forces will utilize this situation to mine the waters around Malta to such an extent that no supplies can be brought up to revive the island either at the time or later. In addition the naval forces will cooperate with the Air Force in attacking the supply lines from the east and the west in order to prevent the enemy from re-establishing the base by bringing up supplies or additional forces. Thus this suggestion outlines a combined air and naval operation in which the Air Force plays the initial and most important role; however, naval support is indispensable in order to eliminate the island permanently.

A plan for mining Malta during the first month of the above operation is appended to the suggestion.

3. Situation Italy:

On 27 Jan. enemy planes attacked Tripoli without inflicting military damage.

4. Transport of Supplies to North Africa:

No special events.

5. Area Naval Group South:

Transport traffic to Crete and Salonika according to plan.

The Admiral, Aegean Sea reported to Group South that private Italian and Italo-Greek companies have bought or tried to buy steamers and motor sailing vessels in the Aegean area. Details are lacking at the Naval Staff. Group South considers it necessary to make an immediate agreement with Italy in order to prevent such unbelievable intrusions of private concerns in military interests. Group South reports that the Admiral, Aegean Sea has been ordered to refuse to give up to Italian purchasers the Greek vessels chartered to the Navy. The Shipping and Transport Branch of the Naval Staff Quartermaster Division is taking the necessary steps.

Black Sea:

Enemy Situation:

Tuapse has urgently requested icebreakers, since of the 4 which were available 3 were sunk and the fourth damaged. According to a report of the Rumanian General Staff, 6 medium-large ships were sighted off Sevastopol on westerly course at noon on 27 Jan.

Own Situation:

The Naval Liaison Officer to the Army High Command asks to be informed how, on the basis of the Armed Forces High Command directive, the Naval Shore Commander for the Crimea is to be fitted into the organization of the 11th Army, and what measures will be taken by the Naval High Command to reinforce the Army's present coastal defenses.

VIII. Situation East Asia

1. Enemy Situation:

The British Headquarters in Singapore reports that on 26 Jan. the enemy succeeded in landing not far from Endau in spite of stubborn attacks by the planes of the East Asia Command. Supposedly bomb hits were scored on a Japanese cruiser and on troop transports. According to unconfirmed press reports 3 Japanese ships were damaged during an air raid on Rabaul in the night of 26 Jan. Reuter reports that during the bombing of the Japanese convoy in the Strait of Macassar an enemy battleship was probably sunk. Further press reports state that civilians have evacuated Port Darwin.

2. Situation Japan:

According to Attache reports from Bangkok and Tokyo from 24 and 26 Jan., the advance troops of the northern column in Burma are 40 km. from Moulmein; the southern column, which is advancing to the north from Tavoy, had an encounter with the enemy south of Yo. The column attacking Mergui has pushed forward to the vicinity of the city. Continuous air attacks were made on Rangoon and Singapore.

The Japanese Fleet is advancing at the present time in three directions:

- a. Strait of Macassar
- b. Molucca Strait
- c. The area of the Solomon Islands

In the last area 3 Japanese aircraft carriers are said to be operating.

IX. Army Situation1. Russian Front:Southern Army Group:

Only a little fighting on the Crimea. The 1st Panzer Army and the 17th Army have been consolidated into the Von Kleist Army Group. The situation at this group's sector is unchanged. At the 6th and 2nd Army sectors enemy concentrations and positions were destroyed. In the Dolgoye area some renewed attacks are in progress. The snow is hampering bringing up of supplies.

Central Army Group:

In the area west of Byelev German units won terrain to the north. Additional wounded were removed from Sukhinichi. Brisk fighting for the highway at the 4th Army sector. Enemy units have reached the Vyazma-Yukhnov road. At the 9th Army sector there are violent battles going on northwest of Rzhev at our defense positions. In the areas of Kholm, Velikie Luki, and Velizh there is considerable partisan activity.

Northern Army Group:

In the Staraya Russa area artillery fighting; the enemy was not successful. Enemy movements toward the northwest at the penetration area near Yamno are continuing.

2. Finnish and Norwegian Front:

At the Karelian Army sector an enemy attack prepared by strong artillery fire near Vyonschorzero was repulsed.

3. North Africa:

The German-Italian group brought out of the area around Zauiet Msus in a night march under the personal leadership of the Commander in Chief advanced in the evening as far as the northern out-

28 Jan. 1942

CONFIDENTIAL

skirts of Benghazi. At the same time the Via Balbia was blocked at
Coevia.

29 Jan. 1942

Items of Political Importance

France:

A report from a diplomatic source states that the United States is making an attempt, which can be readily understood, to prevent France from coming to terms with Germany by promising her a glorious role in Europe after the war. For details see Political Review No. 24, Par. 1.

Great Britain:

During the discussion in the House of Commons following Churchill's talk, a strong minority opinion was expressed indicating that confidence in the Prime Minister is unshaken, but that this is not the case with regard to many of the other ministers. Attlee requested the House of Commons to give a vote of confidence in the government and to support it to the utmost in its energetic prosecution of the war.

In the House of Lords Admiral Chatfield criticized the fact that the battleships were sent to East Asia without sufficient escort, and also the practice of deciding naval matters according to political viewpoints.

Due to the attacks by the Dominions against the B.B.C. the director has resigned.

Ireland:

Reuter reports that De Valera protested on 27 Jan. against the arrival of U.S. troops, and stated that neither the British nor the American government consulted him beforehand. The 6 northern counties were cut off twenty years ago contrary to the express wishes of the Irish people. The fact that this forced division of the Irish people is being maintained is an act of aggression against small nations, such as Great Britain and the United States are supposedly trying to eliminate in this war. Roosevelt expressed his surprise about this protest, and declared that he would welcome a visit by De Valera to Washington.

The Irish Minister for Food and Supplies stated that danger to Irish neutrality have increased rather than decreased.

Portugal:

In view of her strained relations with Australia, England is greatly worried about the firm stand of Salazar on the Timor question.

Turkey:

The German Embassy reports that Prime Minister Saydam is about to resign, and that Alik Benda, president of the National Assembly, will take his place.

U.S.A.:

Secretary of the Navy Knox stated that warfare in the various theaters is being conducted according to one overall plan. Japanese reports have already been somewhat toned down. On 1 Jan. Japan claimed to have sunk 7 U.S. battleships; by 15 Jan. this had been reduced to 4. The U.S. cannot afford to neglect one front for another. He wants to make

29 Jan. 1942

CONFIDENTIAL

it perfectly clear, however, that the Pacific will not be relegated to a secondary theater. The U.S. Fleet will prove that this is not the case.

According to the United Press, Roosevelt has stated that the U.S. will defend Australia and New Zealand.

Special Items

I. The Commander in Chief, Navy met Admiral Darlan near Paris. The conference took place at Darlan's request, with the approval of the Foreign Office and with Hitler's permission.

For minutes of the conference, in which political questions were hardly discussed, see War Diary, Part C, Vol. XVI.

II. According to the December report of the Armed Forces High Command, War Economy and Armaments Branch on the war economy, great changes had to be made in the armament industry during this month. Because of the changed situation in the East, it became necessary to resume almost all phases of armament production for the Army. This had to be done at the expense of the other branches of the Armed Forces, since industry is already producing at full capacity. At the same time the transport situation requires that more transport facilities be produced; the Fuehrer has ordered that this be given prime consideration. Furthermore the fuel situation has made it necessary to take all possible steps to increase fuel production in Germany, Rumania, and Hungary, and orders have been issued to this effect.

As the result of the latest draft regulations, the labor situation will become much more critical. The situation can be relieved only by using Russian prisoners of war and recruiting French skilled workers. The morale of the working class is deteriorating visibly because of worries about food, clothes, and coal.

In December the transport situation was very acute. The double-track extension of the coal railroad from Upper Silesia to the Baltic Sea, completed in October, proved its worth, as did the extension of freight facilities around Berlin.

Ore transports from Lulea were stopped on 13 December.

As regards raw materials, various measures have been introduced to mobilize the non-ferrous metals; for example, church bells are being taken down, and copper rollers used in the textile industry and metal type are being collected. Metal is being collected in France. A war tax has been levied on metal in Belgium. Nevertheless, copper quotas had to be lowered by 25% beginning 1 Jan. 1942. The coal and electricity situation is critical, but still bearable. Enemy air attacks on Reich territory have so far had little effect. Only the Huel's buna plant has suffered serious damage. Foreign trade has decreased. The clearing debt of the Reich has increased, and amounted to 3,200,000,000 marks on 31 December 1941.

Situation 29 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:North Atlantic:

Cruiser HERMIONE and submarine REGENT arrived in Ponta Delgada on 27 Jan. The submarine had a damaged upper deck.

Reuter reports that 983 warships as well as 3,136 special-purpose and auxiliary ships are under construction in the U.S. The House of Representatives has voted \$20,000,000,000 for the Navy.

South Atlantic:

Auxiliary cruiser ASTURIAS left Rio on 28 Jan. with new armament. For details see daily situation report. The U.S. cruiser SAVANNAH left Buenos Aires on 27 Jan. Besides war materiel, the U.S. will deliver to Uruguay a flotilla of small vessels for coast guard duty. Radio intelligence intercepted a QQQ signal from a British steamer at 2° N, 10° W on 29 Jan.; two hours later the signal was withdrawn. A Portuguese steamer counted 16 warships in Capetown on 20 Jan., among them a battleship and 3 heavy cruisers. These are probably the RAMILLIES, the SHROPSHIRE, the DORSETSHIRE, and a heavy cruiser from the India station.

2. Own Situation:

For the sailing orders of the supply ship REGENSBURG see 1/Skl I k 227/42 Gkdos. Chefs. in War Diary, Part C, Vol. IX.

Radiogram 1606 sends ship "10" further data concerning whale fishing. Radiogram 1055 instructs ship "10" on recognition signals.

Radiograms 1915 and 2041 send the SPREEWALD, the OSORNO, and the DOGGERBANK information on recognition signals. Radiogram 1207 informs ship "10" of the Q signal sent out and then withdrawn by the British steamer CASTALIA near Freetown. Radiogram 1020 informs the DOGGERBANK that the EMF mine is at present not ready for use. Radiogram 1822 informs the DOGGERBANK about the arrival of the CORTELAZZO and contains sailing orders. Radiogram 1616 informs the Naval Attache Tokyo about the location of the U.S. battleships and aircraft carriers in the Pacific; about India's serious lack of defenses and the transfer of one New Zealand and two Australian divisions from North Africa to the Wavell front; and about strong reinforcements being sent from England to build up the defenses in India and the East. These transports all pass through the Arabian Sea, and attacks made there would have serious and lasting effect.

Radiograms 0510, 0532, and 0716 inform all ships in foreign waters about the experiences of the CORTELAZZO, additional submarine successes on the U.S. coast, and the enemy situation.

II. Situation West Area1. Enemy Situation:

According to the radio intercept service of the Air Force, there was a convoy east of Falmouth.

2. Own Situation:

Atlantic Coast:

Telegram 2000 contains orders of Group West that destroyers Z "29" and IHN be transferred at once to La Pallice after their arrival in the Dutch area; opportunity for training is better there. The SCHOEMANN is to remain in Flushing until destroyer Z "25" arrives.

Channel Coast:

Operations by the 2nd PT Boat Flotilla against a convoy had to be broken off because of the weather. The commander of the 5th Destroyer Flotilla reports that a ground mine and afterwards a torpedo hit were probably responsible for the sinking of the HEINEMANN. (See Telegram 1818.)

A final investigation must still be made.

Group West had suggested cancelling the regulation to use only mines with timing device along the southern coast of England between Deal and the Isle of Wight, since minelaying by PT boats is becoming increasingly important because of the lack of planes. Before making a final decision as to whether the Fab XI mines can be used in this area, the Naval Staff suggests as a temporary solution that Group West use PT boats to lay Fab XI mines along the convoy route in the Channel between Dover and Dungeness; these mines should be equipped with a delay mechanism set for six days, and should be laid in such a manner that at any time a certain number of mines are live. For copy of the corresponding telegram and the notation of the Naval Staff see 1/Skl I E 134/42 Gkdos. Chefs. in War Diary, Part C, Vol. VI.

III. North Sea, Norway, Arctic Ocean1. North Sea:Enemy Situation:

Radio intelligence intercepted an SOS signal from the British steamer EMPIRE PILGRIM near the east coast of northern Scotland, and also a report by a plane concerning 5 German merchant ships and 2 escort vessels on northwesterly course off Lister. There was little air activity. Air reconnaissance located a convoy consisting of 19 steamers off Montrose, and a convoy of 10 steamers east of Harwich.

Own Situation:

Destroyer Z "29" and 3 torpedo boats are en route from Brunsbuettel to the west. Work to salvage the mine sweeper M "1408" in Rotterdam has begun. Destroyer Z "24" will enter a shipyard on the North Sea, and will not undergo repairs in a Dutch shipyard. In case the weather delays the transfer of destroyer Z "24" from Stavanger via the North Sea, destroyer Z "25" is to proceed alone along the coast to Kristiansand South and from there to the North Sea under escort of forces of the Commanding Admiral, Defenses North. (See Telegram 1116.)

In agreement with Group North and Naval Station, North Sea, the Commanding Admiral, Defenses North sets the line connecting 52° 54' N, 03° 50' E and 52° 14' N, 03° 40' E as the western border of the Dutch fishing area. (See Telegram 1700.)

29 Jan. 1942

CONFIDENTIAL

For details of the damage to Rotterdam and The Hague from the enemy air attack on 28 Jan. see Telegram 0825.

The ice situation is still causing difficulties in the river estuaries. There is a great deal of drift ice in the rivers. The ice situation in the Kaiser Wilhelm Canal is unchanged.

2. Norway:

Enemy Situation:

The German Consulate General in Zurich reports from an American source that the U.S. troops which landed in northern Ireland came from Iceland. Supposedly it was necessary to transfer them from there because of unbearable living conditions and the extreme cold which had caused many deaths. Further troop transports will be made from Iceland, some of them to Scotland. The U.S. General Staff is said to be insisting on the plan to invade northern Norway and establish a junction with Russia. An earlier plan to make an offensive through France and Belgium has not been resumed. Air reconnaissance reported one cruiser and several escort vessels in the outer Kola Bay. Six steamers and 4 destroyers were in the inner Kola Bay. One steamer was sighted south of the Rybachi Peninsula en route to Kola Bay. An agent reported that a periscope was sighted on the southeast side of Moskenesoe on 28 Jan.

Own Situation:

The KOBRA laid Harstad minefield I according to plan on 28 Jan. The 8th Destroyer Flotilla, including destroyers Z "25", "24", and "23", has left Tromsø for the south. Destroyer Z "23" is en route to Trondheim, the other two to Stavanger.

With reference to Group North's decision concerning escort for the TIRPITZ during maneuvers in Trondheim Fjord (see War Diary 26 Jan.), the Commanding Admiral, Norway states that submarines cannot accompany the ship at all; that mine sweepers can operate only on 48 hour notice; and that submarines can be stationed along the way only if convoy tasks are neglected. If, therefore, the TIRPITZ cannot wait for 48 hours, she will have to do without escort. The Admiral, North Norwegian Coast continues to maintain that in view of the submarine danger maneuvers can be undertaken in Trondheim Fjord only if the ship is accompanied by torpedo boats or destroyers.

The Commanding Admiral, Norway does not agree with the Admiral, Arctic Ocean, who claims that the minefield off Kola Bay is useless; the Commanding Admiral, Norway points out that because German minefields were laid immediately adjoining those of the enemy, the enemy has been hemmed in so effectively that he has generally been forced to remove his own minefields. The Naval Staff agrees fully with this view of the Commanding Admiral, Norway. (See Telegrams 1910 of 26 Jan. and 1919 of 29 Jan.)

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

1. Enemy Situation:

According to statements by enemy deserters, the remainder of the Baltic fleet has neither strategic nor tactical value. Ammunition and fuel are exceedingly scarce. Russian naval officers predict that

29 Jan. 1942

CONFIDENTIAL

the Baltic fleet will meet a fate worse than that of the Russian fleet at Tsushima. Their statements about ship sinkings and damages check in detail with our information. About twelve of the high-speed mine sweepers have been sunk so far, so that only about four or five are left. About 65 out of 100 submarines have been sunk. The MARAT was badly damaged by dive bombers on 22 Sep. 1941. A plane carrying bombs is said to have crashed on the ship, which is now beached in Kronstadt harbor.

2. Neutrals:

According to press reports, Sweden is planning to organize its defense on a five year plan basis. The navy will be prepared for offensive action. The fleet is to be reinforced by light torpedo-carrying vessels. In addition to the present submarine construction program, it is planned to build one or several destroyers of 1,700 to 1,800 tons with four 12 cm. guns and anti-aircraft defenses. Besides the two 7,000 ton cruisers already approved, a third one will be requested. It is not planned to build a large armored gunboat. A large number of new mobile batteries are supposed to be added to the coastal artillery. Aelfsborg fortress in Goeteborg will be reinforced. Sixteen flotillas are planned for the air force. The quality of the army is to be improved.

A German captain reports that on 5 Jan. numerous mines were loaded into covered railroad cars at Stockholm harbor.

3. Own Situation:

The ice situation in the Skagerrak, the Baltic Sea entrances, and the Baltic Sea remains unchanged. Only heavy steamers constantly aided by icebreakers can pass the Great Belt and the Langeland Belt. Group North orders the Commanding Admiral, Defenses East to investigate whether it is possible to accelerate the transports from Aalborg or whether they have to be discontinued, and whether the ice situation permits shipping troops on patrol boats or mine sweepers from Hirtshals. Ten motor mine sweepers of the 7th Motor Mine Sweeper Flotilla were frozen fast in Copenhagen. Icebreaker CASTOR has forced her way to within 1.4 miles of the Hals ice barrier. The Aalborg-Oslo transport group has returned to Aalborg, since they could not pass the ice barrier at Hals.

The SCHLESIIEN group is proceeding according to plan. Troops from the steamer HELGOLAND have been taken over by a Finnish icebreaker, which is en route to Abo.

V. Merchant Shipping

According to information from the Foreign Office, limitations on Portuguese shipping, which were extended on 18 December 1941 to shipping to north Spanish harbors beyond Cape Finisterre, were caused by the loss of a Portuguese ship. These harbors can be approached only with special permission, with the exception of Pasages, which is barred completely. The Legation at Lisbon suggests that irregular shipping traffic be instituted, which the enemy could not readily prevent, but which would force him to maintain costly patrols. In case the requested permission for entry into Bilbao is rejected, it is planned to protest to the government.

VI. Submarine Warfare1. Enemy Situation:

The 15th and 19th Air Groups were very active. One German submarine was sighted 70 miles south-southeast of Porcupine Bank, and another north-northeast of Rockall Bank. Planes patrolled the area between 52° and 53° N and 12° and 13° W in the afternoon. Radio intercept service reported the following: There was one British steamer 250 miles west of Ireland in the morning. U.S. steamer FRANK J. PETERSON (2,241 GRT) sent an RR signal 140 miles off Nantucket. U.S. radio station Summit reported that a submarine had been sighted off the mouth of the Mississippi. U.S. steamer GULF STAR sent an SS signal south of Delaware Bay.

The French news service reports that the British mail steamer LADY HAWKINS was sunk off the Canadian coast. 250 passengers lost their lives. Reuter reports that submarine U "95" was sunk by a Dutch submarine on 28 Nov. 1941. 4 officers and 8 men were saved. The Admiralty reports that the De Gaulle corvette ROSELYS rammed a submarine while on escort duty and attacked her with depth charges. It is not claimed that the submarine was destroyed.

The Admiralty is trying to prove that the Spanish ship NAVE MAR was sunk by an Axis submarine, just as they claim the Spanish steamer BADALONA and the Portuguese steamer CONTE REAL were sunk by a German submarine and the Spanish steamer CASTILLO OROPESA by an Italian submarine.

2. Own Situation:

Several submarines attacked a convoy in the Mediterranean. One escort vessel was sunk in the course of the afternoon. For additional information on the situation see War Diary, Part B, Vol. IV.

Upon inquiry from the Commanding Admiral, Submarines, the Naval Staff gives permission for Italian submarines to operate in the Atlantic south of 32° N as far as 35° W. Beginning at 0000 on 11 Feb. the usual areas will again obtain for all submarines. (See Telegram 0020.)

Due to drafting of workers from the Germania Shipyard, certain cuts will have to be made in submarine construction. The Ship Construction and Submarine Divisions of the Naval Staff are planning to make these cuts at the expense of the 4 minelaying submarines in order to maintain production of type VII C submarines at the present level if possible; the minelaying submarines are to be completed during slack periods. The Naval Staff is opposed to this plan. It would in effect amount to giving up the 4 minelaying submarines entirely. The previous construction program provided for a minimum of minelaying submarines, which in the present stage of the fight against the British supply lines would be barely adequate. The spread of the war to many theaters creates many new possibilities for laying mines by submarine. It would thus be incorrect to decrease the number of ships necessary for offensive mine warfare.

The Naval Staff will submit a memorandum to the Commanding Admiral, Submarines setting forth its opinion concerning future minelaying operations by submarine.

VII. Aerial Warfare1. British Isles and Vicinity:

One 4,000 GRT steamer, proceeding in convoy, was sunk off Falmouth. Six enemy planes were shot down in the west area. For air reconnaissance reports see Situation North Sea.

2. Mediterranean Theater:

No special reports.

3. Eastern Front:

Our air forces supported Army operations. Many enemy planes, among them transport planes, were destroyed in an attack on the airfield at Kaluga during the night of 27 Jan.

4. Special Item:

The Naval Staff believes that the request addressed to the 3rd Air Force by Group North (see War Diary 28 Jan.), which the Commander in Chief, Air termed extraordinary, concerns nothing which is in any way outside the ordinary tasks which the Commander in Chief, Air assigned to the 3rd Air Force when Group 506 was turned over to it by the Navy. The Naval Staff requests the Commander in Chief, Air to call the attention of the 3rd Air Force to its obligations. The Naval Staff requests that in case the measures agreed upon cannot be carried out Coastal Air Group 506 be removed from the operational command of the 3rd Air Force and restored to the Commander, Naval Air, thus relieving the 3rd Air Force of the necessity of fulfilling the tasks required by Group North. For copy of telegram see 1/Skl 2235/42 Gkdos. in War Diary, Part C, Vol. V.

VIII. Warfare in the Mediterranean1. Enemy Situation:

Mine layer MANXMAN and 3 destroyers left Gibraltar in westerly direction on 28 Jan. German air reconnaissance sighted little convoy traffic off the Cyrenaica coast. The REVENGE is probably in Alexandria, having come from the Indian Ocean, according to an Italian report of prisoner of war statements. The same source confirms severe damage to the VALIANT and the QUEEN ELIZABETH.

2. Situation Italy:

German air reconnaissance reported that Benghazi was in German hands at 1400.

According to a report of the Naval Liaison Officer at the Armed Forces High Command, General Marras submitted a number of requests by the Italian High Command to the Armed Forces High Command. As regards the Navy, it is requested that the number of German PT boats in the Mediterranean be increased to 20. The Naval High Command will handle this request. For copy of a memorandum on the conversation with General Marras see 1/Skl 2385/42 Gkdos in War Diary, Part C, Vol. XIII.

3. Transport of Supplies to North Africa:

No special events.

4. Area Naval Group South:Aegean Sea:

No special events.

Black Sea:

Due to the ice situation the lower Danube has been closed at Braila and Galatz. Odessa harbor, Otchakov Sea, Kosirka, Genichesk, and Taganrog have been closed. The Dniepr and Bug Rivers, the Mius Estuary, and the harbors on the sea of Azov have been closed. Otherwise no special events.

XI. Situation East Asia1. Enemy Situation:

The U.S. commission investigating the attack on Pearl Harbor of 7 December stated that the War and Navy Departments, which were kept fully informed of developments in the Pacific crisis, had given sufficient warning to the commanding officers in Hawaii on 27 Nov. The commanding officers, General Short and Admiral Kimmel, neglected to make joint defense plans on the basis of this information. The first alarm sounded by the Army on 7 December did not reach the proper stations. The Navy was not sufficiently prepared. All officers and men behaved in exemplary fashion after the attack.

The U.S. Navy Department announced that 2 Japanese ships which approached the Midway Islands were damaged. The U.S. War Department announced that enemy troops landed in Subig Bay, that a large transport vessel was sunk and an enemy cruiser was damaged by bombers at Balik Papan. The Anglo-American press is constantly raising the figures of ships sunk in the attack which supposedly lasted five days, made on a Japanese convoy of 100 steamers in the Strait of Macassar. According to a report of 28 Jan., at least 11 warships, 17 troop transports, and 13 Japanese planes were destroyed.

2. Situation Japan:

Headquarters officially reports that Balik Papan was taken by army and navy troops on 24 Jan. According to Attache reports from Bangkok and Tokyo on 27 Jan., Thailand will not declare war on the Dutch East Indies. Contrary to all earlier reports, the British defense line Batu-Kluang-Mersing was not broken by the Japanese until 22 to 25 Jan. after heavy fighting. U.S. reports about great Japanese losses in the Strait of Macassar are an invention. Actually 4 transport vessels were lost after they were unloaded. No airplane carrier was ever involved. According to reliable information, the Americans are beginning to reinforce the New Zealand defenses. The Japanese have landed on Buka in the northern part of the Solomon Islands. U.S. submarines have so far sunk 3 ships in Japanese home waters, among them the Italian steamer TOMISLAV, which was chartered by the Japanese.

X. Army Situation

1. Russian Front:

Southern Army Group:

Situation unchanged at the sectors of the 11th Army and the Von Kleist Army Group. At the 2nd Army's sector repeated enemy attacks at the break-through point were repulsed.

Central Army Group:

Sukhinichi was thoroughly destroyed and cleared out by the Gilsa Group after the total of 954 wounded had been removed. Unusually deep snowdrifts hamper fighting. The situation at the Yukhnov-Bemenskoye highway has not been clarified. For purposes of supply the highway had to be kept open at times by tanks and assault guns. At the break-through point west of Medyn attacks on the front north of Yukhnov were repulsed. The supply situation has been made most difficult by heavy snow. Enemy attacks north of Rzhev were repulsed. Southwest of Rzhev the enemy seems to be digging in. Our troops held Velizh in spite of strong enemy attacks from the east and south.

Northern Army Group:

The highway directly west of Kholm was mopped up. Attacks on Staraya Russa were repulsed. Heavy enemy pressure is being maintained between Novgorod and Yamno. Enemy attacks near Soltsy and south of Lake Ladoga were stopped or thrown back in counterattacks.

2. Finnish and Norwegian Front:

At the sector of the Karelian Army there was a little fighting. At the sector of the Army High Command, Lapland two successful shock troop missions were carried out against Russian strong points at the Verman sector.

3. North Africa:

Enemy attempts to break out of Benghazi to the east were repulsed during the night of 28 Jan., and the city was taken on the morning of 29 Jan. So far more than 1,000 prisoners have been taken and a huge amount of supplies and equipment captured, including 500 motor vehicles and large stores of food.

30 Jan. 1942

Items of Political Importance

Great Britain:

In his closing speech during the debate in the House of Commons, Churchill emphasized the great significance of the arrival of strong North American forces in the British Isles. Iceland has nothing to worry about. He then repeated his statements about the disagreeable situation in East Asia which has arisen from the necessity of aiding Russia. With regard to the loss of the two battleships because of lack of plane protection, he declared that the situation justified the risk. The campaign in Libya is particularly important. It secures the Nile Valley, holds down the enemy, and besides, he added very significantly, there is no theater in which a British victory over Germany and Italy could be expected to have more favorable results.

The vote of confidence in the House of Commons resulted in 464 votes for the government and one against.

Egypt:

The break in diplomatic relations between Egypt and France which was forced by Great Britain is described in a semi-official Egyptian comment as merely an interruption in the relations; nothing will be undertaken against French citizens and their property in Egypt.

Spain:

Germany has pointed out to the Foreign Office that British naval troops have landed in Tangier to protect the Consulate General, and that a similar measure can be expected from the Americans.

Portugal:

According to a report of the German Legation, it is believed in the Portuguese War Ministry that the U.S. is showing lively interest in the Cape Verdes at present, since in German hands they would be dangerous to the outcome of the battle of the Atlantic. Angola is not so much endangered as Guine, because good rubber is produced there. It is not believed that the danger is acute, however.

U.S.S.R.:

The report of the special delegate Harriman after his return from Russia is said to contain the following points, according to a reliable source:

1. Materiel aid by the Anglo-Americans is not sufficient for Russia.
2. Russia insists that large masses of German troops be tied down by a sufficient number of Anglo-American forces.
3. For this purpose an advance in Tripoli is not enough; French North Africa must be included by an advance of the Allies from West Africa, which was announced a long time ago. If the Allies are unable to oust the Axis troops from Africa entirely they will lose the war.
4. If Germany is able to concentrate on the Russian front without interruption, she will defeat Russia this year, destroy the Black Sea

30 Jan. 1942

CONFIDENTIAL

fleet, and gain possession of the Caucasian oil.

5. The shortest route from the U.S. to Southern Asia is via Gibraltar and Suez, and not via Hawaii.

6. A reinforced Russia together with Chungking would be able to exert very strong pressure against Germany and Japan. Thus the only way to shorten the war is to arm these two countries.

Turkey:

General Rommel's successes have greatly impressed public opinion in Turkey. According to further reports from a diplomatic source, Ambassador Knatchbull is supposed to have returned from Moscow with very satisfying impressions. The Russian people and material reserves justify the hope, which Stalin also shares, that the German spring offensive will have no decisive success. A British source holds that there will be a second winter campaign in the East which will probably be too much for the morale of the German people. Germany will not be able to win the war. But the British (understandably) would also prefer that Russia not win a decisive victory. It was noticeable that in this connection nothing more was said about a British victory. Stalemate?!

Japan:

According to a report from the Ambassador, the government will await the effects of the Rio resolutions. The Japanese reaction will probably be moderate in order to strengthen the desire for neutrality in Argentina and Chile.

U.S.A. and Great Britain:

The official German News Agency (DNB) reports a rumor from Lisbon, according to which a proposal is being considered whereby every North American and every Britisher would be citizen of both Great Britain and the U.S.

Conference on the Situation with the Chief, Naval Staff

I. The Naval Staff Quartermaster Division reports on Group South's request that the Naval Liaison Staff, Bulgaria be deactivated and a 3rd Naval Shore Command be established on the Black Sea (see War Diary 26 Jan.). The Chief, Naval Staff gives his permission.

II. In answer to an inquiry by the Chief, Naval Staff, the Chief, Naval Staff Quartermaster Division reports that one berth for a large ship has been provided in Bergen, in Trondheim three, and in Narvik two, with one in reserve. He also states that there are sufficient anti-submarine nets en route to northern Norway. He answers further that there is enough anti-aircraft ammunition available, including that required by the ships in the Norwegian area; likewise, in order to reduce later transports, supplies of oil have been distributed to all the ship berths where oil will be needed.

III. The Chief, Naval Construction Division reports that it would take three years to build the drydock intended for Trondheim, now that a suitable location has been found there; he suggests that the floating dock now being built in Stettin be transferred there instead. The Chief, Naval Staff Quartermaster Division points out that it has proved impracticable to transfer a large floating dock either as a whole or in

parts.

The Chief, Naval Staff decides that construction should be started on the drydock in Trondheim, with the help of the Todt Organization, in spite of the estimated duration of the work.

IV. The Chief, Naval Ordnance Division reports that the 28 cm. guns of the old "Braunschweig" class are being used by the Army in Kronstadt Bay as coastal batteries. He also reports that, to judge from the statements of Minister Todt, the conscriptions ordered will amount to one million men rather than 620,000 as was the impression up to the present.

V. The Chief, Naval Staff gives a short account of his conversation with Darlan. See report in War Diary of 29 Jan.

VI. The Naval Staff Submarine Division reports that it is necessary to transfer our submarines from Salamis to Pola. The reasons are as follows:

- a. Supply complications; thus it is very difficult to get and keep the boats ready for action.
- b. There are not nearly so many boats as was formerly planned.
- c. Conditions are most unsatisfactory: bad quarters, no facilities for caring for the men's welfare, bad water facilities, much sickness, difficulties in granting leave during the boats' lay days.

The Naval Staff Submarine Division suggests that Salamis not be given up entirely, but be further equipped so that there will be the possibility of establishing a worth-while base once more at a later time.

The Chief, Naval Staff decides as follows:

1. The boats are to be transferred to Pola.
2. The base installations in Salamis are to be left there and further equipped.

VII. The Naval Staff Operations Division reports on the operations order to be sent to ship "28" (Commander von Rukteschell). The Chief, Naval Staff approves of the order. (See War Diary 30 Jan., War in Foreign Waters.)

VIII. Readiness of our Battleships:

The GNEISENAU has made her first trial voyage. Unfortunately there was rainy weather and bad visibility, so that there could be no target shooting as had been planned. The engines are entirely ready for operations. The starboard shaft, which had been repaired, caused no difficulty.

Thus it has been possible to get the GNEISENAU entirely ready for action once more after nine months of persistent work under the most difficult shipyard and labor conditions, and with constant danger of heavy air attacks. The next weeks will show whether we can get all of the Brest ships entirely ready for the planned operations.

IX. Italian Measures to Support Warfare in the Black Sea:

According to a report from the Italian Navy the following measures are

possible:

a. Four MAS boats could be provided at once. (Unfortunately they are too wide for transporting by rail; therefore it is being considered whether they could be sent via the Rhone and Danube Rivers.)

b. Four midget submarines of 34 tons (submerged 43 tons) could be provided at once. Five men to a boat.

c. From May on smaller MAS boats could be provided (five torpedoes to a boat).

Use of the smallest "special submarines" (one-man boats) seems to be successful only when the men have undergone a long training period. At the present time there are only 6 men in the Italian Navy trained for this purpose.

On the basis of the Garmisch conferences the chances for Italian support seem slight right from the start. The Naval Staff welcomes the Italian offer; particular value is laid on transferring the Italian PT boats as soon as possible.

X. On the basis of a detailed investigation undertaken by the Naval Staff Operations Division the question of using the auxiliary cruisers in Norway was discussed, as suggested by the Fuehrer. The Chief, Naval Staff refuses, due to the result of this investigation, to permit the auxiliary cruisers to operate in Norway.

For copy of the investigation report see 1/Skl I k 249/42 Gkdos. Chefs. in War Diary, Part C, Vol. I.

Special Items

The guiding principles of 10 Jan. set for armament production in 1942 by the Fuehrer in order to adjust to the changed war situation state as follows: the long-range objective remains unchanged, i.e., the expansion of the Air Force and the Navy for the fight against the Anglo-American powers. The conduct of the war in 1942 prohibits until further notice, however, a reduction in Army materiel in order to attain this objective. Armament production facilities are therefore to give first place to the increased requirements of the Army. The Fuehrer instructs the Chief of Staff, Armed Forces High Command to allocate raw materials accordingly for the first six months of 1942, reducing the quotas of the Navy and the Air Force insofar as this cannot be avoided. Beyond this the necessary balance between the requirements of warfare and the possibilities of satisfying them, which are limited by the raw material situation, must be found in the following ways: by placing emphasis on the most important production within the allotments of the branches of the Armed Forces; by using substitute materials to overcome bottlenecks; by alternative construction and reduced demands; by limiting the stores at hand; by making increased use of captured materiel, etc.

With the means made available to them and according to the orders of the Fuehrer the Commanders in Chief of the branches of the Armed Forces are to conduct their own armament programs on their own responsibility.

The guiding principles order for the Navy in particular that the naval effort is to concentrate on constructing and repairing the submarine arm. In addition the convoy service and the defense of Norway and of

30 Jan. 1942

CONFIDENTIAL

coastal waters are important. The unavoidable limitations in other types of production and in the harbor construction program must be overcome by makeshift methods. Present stores of ammunition permit a cut in favor of the Army.

With regard to the Air Force, the Fuehrer specifically reserves for himself the decision to limit the anti-aircraft program.

All measures necessary for executing the petroleum program are to be furthered with particular urgency.

As far as the available forces and material permit, the expansion of the coastal defenses along the entire western front including Norway and on Crete is to be continued.

Any changes in important sectors of the armament programs are to be submitted to the Fuehrer for his approval.

Situation 30 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

Special Item:

Radio intelligence report No. 4/42 of the Chief, Naval Communications Division, Radio Intelligence Branch contains a compilation of enemy reports intercepted by radio intelligence up to 28 Jan. Since there has been difficulty in deciphering, the Naval Communications Division, Radio Intelligence Branch will not release a compilation of enemy reports intercepted by radio deciphering until further notice.

South Atlantic:

According to information from a French agent, a U.S. battleship of the NEVADA class was in Lagos between 28 Dec. and 8 Jan.

Pacific Ocean:

The Defense Minister of Chile has prohibited any publication of movements and cargoes of foreign ships in Chilean waters and harbors. All harbors and their environs were declared military areas.

2. Own Situation:

Radiogram 1223 contains sailing orders for the OSORNO. Radiogram 1217 contains information on the enemy situation.

The mission to be assigned ship "28" is to conduct cruiser warfare in foreign waters, and to operate together with submarines. Emphasis is to be laid on tying down enemy forces in order to relieve German forces at home and to inflict damage on the enemy. It is more important to tie down and worry the enemy for a long period of time than it is to sink a large number of ships, at the same time using up our forces at a fast rate.

After exhausting the possibilities for cruiser warfare, the auxiliary

30 Jan. 1942

CONFIDENTIAL

cruiser is to return to western France or put into a Japanese port. For a copy of the operations order for ship "28" see 1/Sk1 I k 203/42 op. Gkdos. Chfs. in War Diary, Part C, Vol. I.

An order for supplying naval forces is appended to the sailing orders for motor ship TANNENFELS. For a copy see 1/Sk1 I k 229/42 Gkdos. Chfs. In War Diary, Part C, Vol. XI.

Group North is ordered to transfer ship "28" to a North Sea port (Cuxhaven or Wilhelmshaven) in order to avoid a delay in her departure due to a worsening of the ice situation. The Quartermaster Division is arranging transfer of the supplies.

II. Situation West Area

1. Enemy Situation:

Air reconnaissance reports that there was a convoy of 20 steamers near Land's End on a westerly course; a submarine was being towed by a patrol vessel in the Bristol Channel on a northerly course; a convoy of 40 steamers was in the Irish Sea east of the Isle of Man on a southeasterly course; another convoy of 60 steamers was in the southern part of the North Channel on a southeasterly course. All of these observations of this unusually heavy convoy traffic were made between 1030 and 1200.

Own Situation:

Nothing to report.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

According to air reconnaissance around noon there were 5 small convoys off Kinnairds Head, off Hartlepool, and in the Thames estuary. One destroyer and 2 steamers were observed 200 miles east of the Faroes on a northeasterly mean course.

2. Own Situation:

Ice situation unchanged. The destroyer IHN and 5 torpedo boats have started their voyage from Brunsbuettel to Rotterdam.

The Naval Staff considers that the risk in transferring troop transports from North Sea harbors is very great, due to the great danger from ground mines and planes. We must reckon with the enemy's increasing attacks on the northern convoys. Escort vessels provide only slight protection. Fighter escort is possible only north of Hornsriff, since no long-range fighters are available. It is improbable that fighters can be provided in sufficient numbers. Further possibilities for accelerating the transports are being investigated.

Telegram 1616 contains a report to this effect to the Armed Forces High

30 Jan. 1942

CONFIDENTIAL

Command, Operations Staff and the Naval Adjutant to the Fuehrer; copies to the Army General Staff and Group North.

The constantly worsening ice situation in the Baltic and North Seas could make it impossible to use a home port for operation "Cerberus". It is very probable that this will be the case for the light forces.

Groups West and North, the Fleet, and the Commanding Admiral, Battleships are therefore ordered to make their arrangements to provide for the following:

a. The naval forces should be so equipped that it will be possible for them to transfer directly to Norway. (Perhaps the light forces could refuel at Heligoland.)

b. The voyage of the light forces should be utilized also as escort for the cruiser SCHGER, which is to be transferred to Norway in the near future.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

West of Mageroe the packet steamer INGO sank due to an explosion, the cause of which has not yet been determined. On the evening of 29 Jan. and the morning of 30 Jan. there were enemy planes over Kirkenes and Trondheim. No bombs were dropped. Two or three enemy planes were over the Aasen Fjord (berth of the TIRPITZ) between 0613 and 0732. The 11th Sub-chaser Flotilla has left Kristiansand South for the north with 8 vessels.

In order to arm the cutters being used in Norway, the General War Office approves the immediate dispatch of thirty 37 mm. tank guns with 600 rounds of ammunition per gun.

Evidently instigated by a request made to him by the Commanding General, Armed Forces, Norway concerning oil supplies for the Army and the domestic economy in Norway, the Commanding Admiral, Norway reports to the Naval High Command and the Commanding General, Armed Forces, Norway, with a copy to Group North as follows:

"The Commanding Admiral, Norway has pointed out during the last weeks on so many occasions the intolerable situation with regard to available tonnage, escort vessels, and circulation of ships that it is unnecessary to define the situation once again.

"In order to improve convoy conditions, he emphasizes three essential points as follows, and requests the necessary measures to deal with them:

"1. It is particularly important to raise the allocation of fuel oil, so that some little improvement can be made by restoring to service 22 escort vessels, some of them of the best, which are now laid up in the areas of the admirals of the coasts.

"2. Motor mine sweeper, subchaser, and mine sweeper flotillas in need of shipyard repair should be constantly replaced, in order at least to maintain the present strength. At present single vessels and whole groups are, because of lack of replacements, already being used beyond the limits of their efficiency without regard to their need of shipyard repair, even to the point where they break down altogether.

30 Jan. 1942

CONFIDENTIAL

"3. Escort forces should be increased, so that the available ships can circulate faster. The Commanding Admiral, Norway can see no other solution at the present time. Giving preference to some places in allocating escort vessels is not a permanent solution. This type of priority is now already being demanded everywhere for almost all vessels; in the last analysis the over-all circulation of ships cannot be accelerated in this way."

The Naval Staff Quartermaster Division has taken over the matter.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

1. Enemy Situation:

See News Analysis No. 5 of the Naval Staff Intelligence Division, Foreign Navies Branch for a list of Russian warship losses and the remainder of the Russian Fleet according to the situation on 1 Jan. 1942.

2. Own Situation:

The Aalborg-Oslo transports have to be stopped, since the Hals ice barrier cannot be broken because of the draught of the icebreakers. Troops from the transport HELGOLAND were landed in Abo on 29 Jan.; the horses were taken over by the ALKAID. Steamers NEIDENFELS and OSTLAND with the 6th section of the 7th Mountain Division are to be brought to Hangoe or Abo on 31 Jan. The transports will probably leave with the 7th section on or after 2 Feb.

Ship "28" has arrived in Kiel. The SCHLESIEEN group continued its voyage after being freed from the ice by icebreaker.

V. Merchant Shipping

1. The Norwegian merchantmen in the Pacific are supposed to have received instructions from Oslo to make for Japanese ports. According to information of the Naval Staff Intelligence Division, Foreign Merchant Marine Branch, a total of 96 ships amounting to 424,796 GRT are involved. The Japanese government is supposed to have been requested to permit all Norwegian merchantmen voluntarily entering the Japanese area to remain in the possession of the Norwegian shipowners, and not to initiate action according to prize law. At the same time the crews are supposed to have been assured that they will not be interned, and that they will be allowed to send a compensation amounting to five times their yearly wages to their relatives in Norway.

For other reports, including one concerning three newly-equipped British floating whale factories in the antarctic whaling area, see Brief Report No. 4/42 of the Naval Staff Intelligence Division, Foreign Merchant Marine Branch.

2. A comprehensive picture of the present activities of Etappe Japan in buying and shipping scarce raw materials by blockade runners is contained in the minutes of a conference which was held on 21 Jan. at the Special Staff for Economic Warfare for the purpose of discussing this question. The minutes also set forth the various reasons why all available ships should not be utilized at once.

For copy see 1/Skl 1918/42 Gkdos. in War Diary, Part C, Vol. XI.

VI. Submarine Warfare

1. Enemy Situation:

According to radio intelligence a convoy was suspected in the general area of Rockall Bank on 29 Jan. A plane is ordered from Reykjavik to search for a torpedoed ship in the vicinity and to watch for a submarine. A British subchaser reported an unidentified vessel heading northeast 75 miles south of Iceland. In the same area a British vessel was located. Another British vessel was located 200 miles west of the Faroes, a U.S. or British vessel 80 miles southwest of Rockall Bank, and a British vessel 300 miles west-northwest of Lisbon. According to an Italian report, a bomb was the cause of the damage on the British submarine REGENT; it happened on the same mission during which the LLANGIBBY CASTLE was damaged. The submarine is said to have left Ponta Delgada on 30 Jan. and to have been met by the HERMIONE, 2 corvettes, and a tug.

Radio intelligence reports the following from the American East Coast:

U.S. tanker ROCHESTER (6,836 GRT) and U.S. tanker VACUUM (7,020 GRT) were both torpedoed east of Cape Charles. U.S. tanker YANKEE ARROW (8,046 GRT) was attacked at 39° 19' N, 74° W. An unidentified steamer reported a submarine 35 miles southeast of Cape May. An unidentified U.S. radio station sent an unidentified Panamanian steamer news about a ship accident which presumably happened at 52° 05' N, 70° 28' W (southeast of Boston). The ANNAPOLIS reported a shipwreck 38 miles northeast of Cape Charles. The NORFOLK relayed an SSS signal from the tanker MERCURY SUN southeast of Savannah. U.S. steamer ALPHA reported a submarine 100 miles east of Norfolk, which did not attack. The Swedish steamer BORNEO reported a submarine 195 miles east of New York. The steamer LADY HAWKINS, which was sunk on 30 Jan., was en route to Venezuela.

In the Mediterranean a British plane report of 29 Jan. was intercepted which spoke of destroying a submarine near Sidi Barrani.

2. Own Situation:

On 29 Jan. submarine U "132" attacked a convoy making for port west of Reykjavik, and reported a hit on a destroyer after firing a four-fan. A submarine chase followed, and U "132" started on her return voyage. Probably the report in the Enemy Situation about a plane searching for a torpedoed ship refers to this incident.

Submarine U "82", which had reported sinking the ATHELCROWN (11,999 GRT) on 23 Jan., sank the steamer LEIESTEN (6,118 GRT) in quadrant BC 91. In the Mediterranean submarine U "375" attacked a group of warships, evidently at anchor, one of which probably sustained a hit. For additional information on the situation see War Diary, Part C, Vol. IV.

See 1/Skl I u 2244/42 Gkdos. in War Diary, Part C, Vol. IV for orders to the Naval Staff Submarine Division to prepare 4 large and 4 small submarines for use as transports.

See 1/Skl I E 2392/42 Gkdos. in War Diary, Part C, Vol. VI for the request of the Commanding Admiral, Submarines that a rack mine which can

be used in depths of from 30 to 50 meters be released soon for operational use, and for the opinion of the Naval Staff Operations Division regarding this request.

VII. Aerial Warfare

1. British Isles and Vicinity:

Armed reconnaissance planes attacked a steamer with destroyer escort heading for Iceland without result 100 miles southwest of the Faroe Islands. For results of reconnaissance see Enemy Situations, West Area and North Sea.

2. Mediterranean Theater:

103 planes were sent into combat in North Africa on 29 Jan. in spite of unfavorable weather. Day and night raids were carried out against airfields on Malta.

3. Eastern Front:

Bombing operations were rendered more difficult along the entire Eastern Front on 29 Jan. due to bad weather. In spite of this 150 planes made effective low-level attacks at crucial points on the fronts.

4. Organization:

The organizational situation with the headquarters of the Commander, Naval Air has developed as was to be expected. Due to the removal of Coastal Air Group 506, the forces of the Commander, Naval Air have been reduced to such an extent that there is no longer any justification for continuing a divisional staff. The Air Force Personnel Section has already withdrawn the Operations and Intelligence Officers from the Staff of the Commander, Naval Air, without providing replacements. Group North has protested against this step to the General of the Air Force with the Commander in Chief, Navy, and has demanded replacements; this demand had to be refused by the General of the Air Force because of lack of personnel. The Commander, Naval Air himself, because of the almost tragic development with regard to the forces and the command situation in his area, has suggested that, in order to save the experiences made by him in the interest of a later Naval Air Force, the post of a Commander, Air, North Sea be set up in the area of the 3rd Air Force to take over tactical and administrative command of Ship Plane Squadron 1/196 and training of Ship Plane Squadron 5/196. Thus he repeats the proposal which the Commander in Chief, Navy refused once before. The General of the Air Force with the Commander in Chief, Navy intends to support the suggestion of the Commander, Naval Air when he reports to the Chief, Air Force General Staff. The General of the Air Force is willing to discuss the situation with the Chief of Staff, Naval Staff before his report, or, if necessary, to speak with the Commander in Chief, Navy. For copy of a detailed account see 1/Skl I L 2367/42 Gkdos. in War Diary, Part C, Vol. V.

VIII. Warfare in the Mediterranean

1. Enemy Situation:

Enemy submarines were sighted in the Adriatic near Pola and northwest of Leuca. No surface forces were located in the central Mediterranean. There was only a little supply traffic in the eastern Mediterranean. According to an Italian agent report, during the last operation by the Mediterranean fleet a cruiser was sunk; a destroyer with dead and wounded aboard has put into Alexandria.

2. Situation Italy:

The steamer NINUCCIA was attacked with gunfire by an enemy submarine while en route from Spalato to Fiume on 28 Jan., and was sunk by a torpedo.

3. Transport of Supplies to North Africa:

The 3 vessels of the second group of the 2nd Sea Transport Squadron are still being unloaded in Tripoli. The steamer NAPOLI left Tripoli for Naples without cargo on the evening of 29 Jan. The steamer BENGASI put into Tripoli in the night of 29 Jan. after undergoing repeated enemy air attacks. Unloading in Buerat el Hsun had to be delayed because of bad weather.

Since the time when transports to North Africa were started up to 31 Dec. 1941, 25 German ships of 105,491 GRT and, as far as is known, 51 Italian ships of 287,180 GRT have been lost. 19 German and 15 Italian ships totalling about 185,000 GRT were more or less badly damaged during the same period.

4. Area Naval Group South:

Aegean Sea:

No reports have come in.

The Commanding General, Armed Forces, Balkans has requested the Armed Forces High Command to furnish substitutes for the TAGLIAMENTO and the CITTA DI MARSALA, which he did not receive. He also requests the auxiliary ship BIONE in order to reinforce his escort forces during the period that auxiliary ship BARLETTA is being used for urgent mining tasks in connection with transports to Crete; all transport movements, particularly the transfer of the X Air Corps, depend on adequate escort forces.

For copy of the message to Group South see Telegram 1430.

Black Sea:

Enemy Situation:

According to radio intelligence one battleship and one flotilla leader were in radio communication with Sevastopol at 1400, evidently en route from the southeast coast to the northwest. Air reconnaissance reports that there was no ship traffic in the Sudak-Novorossisk area between the coast and 44° N. A light cruiser and several merchant ships were in Poti.

Own Situation:

Nothing special to report.

IX. Situation East Asia1. Enemy Situation:

The British Admiralty reports an engagement near Endau between the destroyers THANET and VAMPIRE and a Japanese force consisting of 1 cruiser and 3 destroyers; the enemy withdrew, one Japanese destroyer was sunk, a second one was damaged, and the THANET was sunk. The VAMPIRE suffered neither damages nor losses. The U.S. War Department continues reports concerning the attack on the Japanese convoy in the Macassar Strait. According to a report from the U.S. Navy Department, 2 enemy submarines which were attempting to bombard Midway Island were driven off by gunfire. The Australian air force reports a successful night attack on Japanese ships in Rabaul. A report from Batavia deals with Japanese landings on the west coast of Borneo at Pemangkat, as well as with a Japanese threat to Pontianak.

Daventry reports the arrival of Allied troop reinforcements in a harbor of the Dutch East Indies. Exchange Telegraph reports that the Japanese convoy in the Macassar Strait still consists of 65 ships with 100,000 to 150,000 men aboard, in spite of all losses, and that it is heading for Java. Wavell has given orders to continue the fight against this convoy with all possible means. Not all of the ships hit have sunk so far.

2. Situation Japan:

Japanese headquarters reports a naval battle in the vicinity of Endau on 27 Jan. between 2 Japanese destroyers, which suffered no damage, and the British destroyer THANET and the Australian destroyer VAMPIRE; the THANET was sunk. According to an Attache report of 28 Jan. from Bangkok, Mergui in southern Burma is in Japanese hands. The Naval Attache at Tokyo reports that the Japanese navy sank 2 enemy submarines in the Bay of Lingayen (Luzon). He reports further that there are 2 distinct naval operations zones: the western zone comprises the western Sunda and Karimata Straits; the eastern zone is east thereof.

Situation Western Zone:

Singapore will not be completely occupied until the end of February; afterwards Sumatra and Burma will be attacked, and it is hoped that they will be occupied by the end of March. Subsequently the Japanese fleet will attack British supply lines to India.

Situation Eastern Zone:

The Dutch have partially destroyed the oil installations at Balikpapan. After the operation against Balikpapan has been completed, it is planned to occupy Bandjermasin, on southern Borneo, and Macassar, in preparation for an attack on Java, where very strong resistance is expected. As a countermeasure against reinforcement of U.S. defenses on New Zealand, the Japanese navy is planning to occupy New Caledonia, the Fiji Islands, and Samoa, as soon as forces are available. New Caledonia is a French possession.

X. Army Situation1. Russian Front:

Southern Army Group:

In general the situation is unchanged in the Crimea. At the Von Kleist Panzer Army the Italian Motorized Corps was attacked as expected, but the attack was repulsed. Further attacks are expected. Repeated enemy attacks along the entire front were repulsed. The situation is critical between Krasnograd and Balakleya. At the front of the 2nd Army enemy forces consisting of 2 rifle divisions, 3 cavalry divisions, 1 motorized brigade, and 1 armored brigade, which had penetrated north of Szigry on 29 Jan., were crushed by a counterattack by the Breith Group. The point of penetration was sealed off. The enemy is retreating east by way of Dolgoye.

Central Army Group:

Strong enemy pressure on the rear guard of our withdrawing forces southwest of Medyn. Eleven of 24 enemy tanks were destroyed during repeated enemy attacks against the former point of penetration west of Rzhev. German forces assembled at Velikie Luki have begun the attack on the Rudnya sector. All enemy attacks on other sectors of the Army Group were repulsed.

Northern Army Group:

Fighting in the vicinity of Kholm and Staraya Russa continues. Enemy advances north of Lake Ilmen were repulsed.

2. Finnish and Norwegian Front:

Repeated enemy attempts to cross the White Sea Canal were prevented. Three new Siberian brigades are said to have arrived in the area between Povyenets Bay and Lake Seg. Enemy attempts to blow up the Salla-Alakurtti railroad in the area of the Commanding General, Lapland were unsuccessful.

3. North Africa:

All quiet. Reconnaissance activity toward the east.

31 Jan. 1942

Items of Political Importance

France:

U.S. Consul General Murphy in North Africa concluded an agreement some time ago with General Weygand concerning delivery of food and other supplies. As is now becoming known, all ships brought light weapons among their cargoes, which were unloaded in Casablanca and hidden. The U.S. is said to realize now that the plan to effect a separation between North Africa and France has failed. However, if a revolt should occur in France, Africa would reject the terms of the armistice. On the other hand, the U.S. would break off relations with France if German troops were permitted to enter Tunis without interference.

Ireland:

After lively discussions in Parliament an emergency was declared for all of Ireland on 30 Jan. According to a Times report, which may be classed as a trial balloon, the Irish government is ready to discuss bases if it is possible to effect a union with northern Ireland.

Spain:

The attitude of the Spanish authorities in Tangier during the investigation of the explosion in the German observation post is proving most unfriendly to Germany. A fair-minded member of the investigation commission was replaced by a notorious Anglophile.

Portugal:

Recently there have been numerous arrests because of subversive activity against the Salazar government.

Greece:

The Anglo-Russian agreement about the future of Iran provides for territorial sovereignty and political independence. It stipulates in particular the right, or rather the duty, of the contracting parties to defend Iran from any attack and to keep the troops necessary for this purpose in the country. Iran will be permitted to maintain diplomatic relations with the enemies of the Allies. For details see Political Review No. 26, Par. 8.

U.S.A.:

Roosevelt has stated that 8 to 10 U.S. expeditionary corps are en route or will depart soon; these will represent the U.S. in all theaters of war. The expeditionary force sent to Ireland is too important to be considered a mere gesture. The majority of the forces are being sent to the Pacific, of course.

An influential neutral person is of the opinion that the Japanese attack has put the great majority of the people in the U.S. on Roosevelt's side. The morale of the army is said to be deplorable, the equipment bad, and the majority of the officers incapable.

South America:

An agreement of 29 Jan. supposedly put an end at last to the border

31 Jan. 1942

CONFIDENTIAL

dispute between Peru and Ecuador.

South Africa:

The Minister of Justice has been instructed to take additional steps to safeguard important governmental installations. The death penalty has been ordered for anyone found in unlawful possession of explosives.

Dutch East Indies:

The government in Batavia reports that a steamer carrying 600 German internees to India was sunk by Japanese planes. The Japanese question this report.

Japan:

According to a report from the Embassy, the Japanese government is cool toward Thailand's desire to join the Three Power Pact.

No change will be made in voting procedure for the coming elections for the Japanese Lower House on 30 Jan. The government will attempt to overcome difficulties to be expected from old party circles by influencing the choice of candidates.

Discussions taking place at present between the Ministry for Foreign Affairs and the papal delegate are interesting, since they show that Japan is desirous of maintaining good relations with the Catholic Church in view of the Catholic population of the Philippines.

Situation 31 Jan. 1942

I. War in Foreign Waters

1. Enemy Situation:

North Atlantic:

According to an agent report from Madrid, submarine cruiser SURCOUF is scheduled to leave Portsmouth for the Pacific the end of January or the beginning of February.

South Atlantic:

According to a German Official News Agency report (DNB) from Buenos Aires, shipping traffic between North and South America has been greatly curtailed. According to a press report from Rio, the island Fernando Noronha has been declared a military zone.

Indian Ocean:

According to an intelligence report of 30 Jan. from Lourenco Marques, U.S. troops stopped in Capetown on the way to Australia.

According to an Italian report, 2 cruisers and 2 destroyers arrived recently in the Mediterranean from the Red Sea.

Pacific Ocean:

The Peruvian harbors of Punta Talare and Callao have been

closed to merchant ships between sundown and sunrise. The coastal beacons have been extinguished.

2. Own Situation:

Blockade runner SPREEWALD, under her cover name as the British BRITTANY, sent an SSS signal at 1700 that she had been torpedoed at 45° 17' N, 24° 15' W. At 1740 the SPREEWALD sent the following message in uncoded German and with German call letters: "SOS from DIFF in 45° 15' N, 24° 15' W. Have British prisoners aboard. Ship sinking and burning. Both messages were repeated by Land's End.

Everything points to the supposition that the SPREEWALD was sunk by one of our own ships. For steps taken see Submarine Warfare.

The Naval Staff instructs ship "28" by Telegram 1616 to submit suggestions for the schedule and official trip of the captain to Berlin, since due to the ice situation the ship and supplies have been ordered transferred to Cuxhaven.

See communication 1617 for instructions to the Naval Quartermaster Division to attend to ship "10" in matters of administration and communication.

Radiogram 1221 informs all ships in foreign waters about Turkey's political attitude; Radiograms 1522 and 2144 contain information on the enemy situation and the positions of the Swedish ships.

II. Situation West Area

1. Enemy Situation:

Nothing to report.

2. Own Situation:

Atlantic Coast:

A reconnaissance plane flew over Brest in the morning; from 2030 until 2243, 25 to 30 planes attacked the city and the harbor with 36 high explosive bombs. The floating dock in the naval harbor was damaged and is out of commission. Other damage was negligible. There is danger of aerial mines. 4 planes were probably shot down.

Group West gives orders not to transfer destroyers Z "25", "29", IHN, and SCHOEMANN to La Pallice, but to Brest, where the Z "29" and the IHN are to be given opportunity to continue combat training insofar as possible, and where additional anti-aircraft equipment is stored. Telegram 1635 informs the Naval Staff to this effect.

Telegrams 1500 and 1700 contain the request of the Commanding Admiral, Battleships to the Naval Ordnance Division concerning reinforcement of the anti-aircraft defenses of the 2nd and 3rd Torpedo Boat Flotillas before execution of operation "Labyrinth", and his request to the Naval Communications Division concerning equipment to be used aboard ship to facilitate map firing; this request was made in view of the proved possibility of maintaining contact by means of planes equipped with radar.

31 Jan. 1942

CONFIDENTIAL

The Naval Staff advises Group West and the Commanding Admiral, Submarines by Telegram 1717 of the intention to inform the SPREEWALD concerning air reconnaissance beginning on 2 Feb.

Channel Coast:

Enemy air activity in the Le Havre and Cherbourg areas in the evening. No details have been reported.

III. North Sea, Norway, Arctic Ocean

1. North Sea:

Enemy Situation:

No particular reports received.

Own Situation:

Ice situation: shipping still greatly impeded in the river estuaries of the German Bight and in the Dutch and Danish harbors.

Destroyer IHN and 5 torpedo boats have completed their voyage to Rotterdam. The 13th Mine Sweeper Flotilla, the 20th Patrol Boat Flotilla, and mine detonating vessel "145", with minesweeper "1407" have carried out their special minesweeping mission for operation "Cerberus". A southbound convoy was unable to leave Kristiansand South because of the ice.

2. Norway:

Enemy Situation:

Nothing to report.

Own Situation:

In quadrant AC 7257 north of the spot where the INGO went down three of our cutters carried out a submarine chase. According to statements of survivors a torpedo hit seems to have caused the sinking. The PARIS has left to investigate the place where the ship sank at AC 7492. Destroyer Z "23" arrived in Trondheim on 30 Jan. Destroyers Z "24" and "25" arrived in Stavanger on 31 Jan.

In connection with the reinforcement of the forces in Norway, the Naval Staff instructs Group North to transfer mine ship OSTMARK to Norway as soon after she is ready as possible, and to investigate and report whether ships "7" and "47" can be used for submarine chase in view of the existing ice situation in the area of the Commanding Admiral, Defenses, East.

IV. Skagerrak, Baltic Sea Entrances, Baltic Sea

Ice situation: More ice is forming in the Skagerrak and the Baltic Sea entrances from east to west. The Great Belt is for all practical purposes impassable. In the western part of the Baltic Sea the thick

31 Jan. 1942

CONFIDENTIAL

layer of ice makes passage possible only for large steamers with the aid of icebreakers. Steamer DONAU, assisted by the CASTOR, has broken through the ice barrier at Hals, and is en route to Oslo. Steamer ALKAID has been brought in to Utoe. Steamer HELGOLAND has released the Finnish icebreaker so that the latter can keep the inter-island route free of ice; the HELGOLAND herself is awaiting the Swedish salvage steamer.

The Naval Staff informs the Armed Forces High Command Operations Staff, the Army General Staff, and Group North as follows concerning the transport situation:

1. The DONAU has broken free from the Hals ice barrier with the aid of a Danish tug, and is en route to Oslo and Kristiansand South with the CASTOR.
2. The Aalborg-Oslo traffic has had to be discontinued because of the ice. For the time being it is not possible to free the ships in Aalborg.
3. It is possible to send a group of 2 steamers with one icebreaker every week from Copenhagen to Kristiansand South. They will get under way from Copenhagen in about a week. The CASTOR will accompany the DONAU on her voyage back to Copenhagen, and will call for empty steamers from Stettin.
4. The results of her trial run will determine whether icebreaker EISBAER, which will come out of the Goeteborg shipyard soon, can be utilized. If the EISBAER can be used, an attempt will be made to have 2 transport groups leave Copenhagen each week.
5. In view of necessary preparations (getting the steamers ready), transports cannot leave Cuxhaven earlier than 10 days after the decision has been reached.

V. Submarine Situation

1. Enemy Situation:

North Atlantic:

Lively reconnaissance activity, especially in the Rockall Bank area. A submarine was reported 270 miles northwest of Cape Ortegal. The Admiralty issued a submarine warning for the areas 600 miles west of Brest and 140 miles northeast of Sao Miguel. A German submarine sighted 7 destroyers and 2 columns of smoke on northeasterly course in this area.

U.S. East Coast:

Radio intercept service showed lively German submarine activity. Beginning on 29 Jan., the beacons in the Chesapeake Bay, at St. John's, and along the coast of Newfoundland have been extinguished. Submarines were sighted on 30 and 31 Jan. 30 miles southeast of Savannah by an unidentified steamer, off Cape Hatteras by U.S. tanker RHODE ISLAND, 75 miles north of Cape Hatteras by U.S. tanker HATSEY, 40 miles south of New York by a coast guard station, off Cape Fear by an unidentified steamer, 40 miles southeast of Charleston by U.S. tanker CHESTER O. SWAIN, 48 miles south of New York by the Panamanian tanker NIOBE,

31 Jan. 1942

CONFIDENTIAL

60 miles northeast of Norfolk by U.S. tanker GULFRING, and 35 miles south of Cape Hatteras by U.S. tanker LOUISIANA. An unidentified source radioed that an immobilized, apparently burning steamer was lying 40 miles northeast of Cape Hatteras. British steamer TEKORNA was torpedoed about 310 miles east of Cape Charles.

2. Own Situation:

In the North Atlantic a submarine reported 2 destroyers on southerly course southeast of Iceland. A submarine east of Iceland reported that the beacons of Borgas Fjord and Vid Fjord are lit as far as Seydis Fjord. In Seydis Fjord the inner anchorage is protected by guarded searchlight and net barrages. Southwest of the Faroe Islands a submarine established contact with a convoy proceeding in a northwesterly direction.

In the East Atlantic the submarines were asked to report their positions and possible sinkings in quadrant BE 71, in view of the reports from blockade runner SPREEWALD. The SPREEWALD and submarine U "575", which was sent to meet her, missed each other. From the reports received, it seems that submarine U "333" sank our own ship. Two additional submarines were thereupon sent to the scene of the mishap.

Further details must be awaited. In any case this loss is extremely painful, and was caused by an unforgivable error, which should not have happened under any circumstances. The loss of a cargo of 3,365 tons of rubber and 230 tons of tin is irreplaceable, and of great consequence in view of the raw material situation.

The crew of the SPREEWALD consisted of 35 men, in addition to 25 repatriates and 86 prisoners of war from ship "41".

Submarine U "82" reports a large transport vessel with destroyer escort southeast of Halifax off the American east coast, and reports for the first time a fast convoy consisting of 2 steamers with 3 destroyers.

For further reports on the situation see War Diary, Part C, Vol. IV. The Commanding Admiral, Submarines reports that it is feared that submarine U "110", which had been assumed sunk on 9 May 1941, fell into enemy hands. An attempt will be made to gather additional facts.

VI. Aerial Warfare

1. British Isles and Vicinity:

140 miles north of the Shetlands, the British steamer EMPIRE REDSHANK was damaged by an attack of Bomber Wing 30. 4 steamers (totaling approximately 12,000 GRT) were badly damaged in the St. George's Channel in the Irish Sea. Enemy planes attacked Belgium and northern France, concentrating on Brest. For details see Situation, West Area.

2. Mediterranean Theater:

The great number of planes constantly at Gibraltar show the importance of this place as a jumping off base for planes in the Mediterranean area. 74 planes were observed at the Gibraltar airfield, and 3 additional planes of various types at the naval airport on 31 Jan.

Nuisance raids on Malta were continued, and at least 10 planes were destroyed on the Lucca airfield.

Lively activity of German planes in the Cyrenaica area as far as Bardia and Sollum.

3. Eastern Front:

Lively and effective air activity in support of the Central and Northern Army Groups.

4. Organization:

The Air Force Operations Staff has given orders for setting up an aerial torpedo wing. According to this plan, the 5th Air Force would have at its disposal one bomber group with 3 squadrons of Heinkel 111's equipped with torpedoes, the 4th Air Force one bomber group with 3 squadrons of He 111's equipped with torpedoes, and the Commanding General, Armed Forces, South one bomber group with 3 squadrons of Do 217's equipped with aerial torpedoes.

VII. Warfare in the Mediterranean

1. Enemy Situation:

A French source reports that a British submarine was sighted south of Sardinia. According to an Italian agent report, one enemy cruiser, 2 destroyers, and 4 steamers passed Cape Serrat eastbound on 30 Jan. Air reconnaissance reported 1 eastbound steamer off Cape Bon, and little shipping traffic in the Tobruk area. According to statements by captured R.A.F. officers, the destroyer SCOUT was sunk a short while ago.

2. Own Situation:

In response to General Marras' request to the Armed Forces High Command Operations Staff concerning the transfer of additional PT boats to the Mediterranean, the Naval Staff instructs the German Naval Command, Italy to inform the Italian High Command that 4 PT boats will be added to the 10 already in the Mediterranean as soon as the ice situation permits, and that no other PT boats are available for transfer at the present time; furthermore that 6 large PT boats will be transferred to the Black Sea by way of the Danube as soon as the ice situation permits. Whether these vessels can be transferred later through the Dardanelles into the Mediterranean will depend on the development of the political situation. For copy of instructions see l/Skl I op 2490/42 Gkdos. in War Diary, Part C, Vol. XIV.

100 aerial mines, type F are being sent to the German Naval Command, Italy, as requested, in view of the urgent situation. However, these mines are not to be used until the necessary tests have been made. (See Telegram 1616.)

3. Situation Italy:

On 30 Jan. an enemy submarine sank an Italian submarine by torpedo in the northern part of the Adriatic Sea. The motor ship BENGASI reported that 3 enemy planes were shot down on 30 Jan.

4. Transport of Supplies to North Africa:

Steamer SAN GIOVANNI BATTISTA was torpedoed by an enemy plane 90 miles off the African coast while returning from Tripoli. No details have as yet been received. Steamer NAPOLI was towed into Susa because of a broken shaft while returning from Tripoli.

5. Area Naval Group South:Aegean Sea:

The critical food situation in Athens and Crete make it necessary to give temporary preference to food supply shipments. On 31 Jan. a mine explosion was observed off Phleves Island. An investigation is being made.

See Telegram 1415 for the request by Naval Group South to the Commanding General, Armed Forces, South (copies to Naval Staff, Admiral, Aegean Sea, and German Naval Command, Italy) for additional air forces in the Aegean area in view of the submarine danger which is again increasing.

Black Sea:Enemy Situation:

According to the radio intercept service, 1 battleship, 1 cruiser, 1 flotilla leader, and 1 submarine were in the Crimean area on 30 Jan., 2 cruisers were off the southern part of the east coast, and additional submarines were at sea. Air reconnaissance reported 1 battleship, 1 heavy cruiser, 5 destroyers, 1 torpedo boat, 1 auxiliary ship, 6 submarines, 1 floating dock, and 5 freighters in Poti in the afternoon of 30 Jan.; in Tuapse on 31 Jan. 1 cruiser, 1 destroyer, 9 submarines, and 2 steamers. 5 PT boats were sighted south of Novorossisk on southeasterly course.

Own Situation:

The port commander at Feodosiya reports the capture of twelve 4.5 cm. guns, four of them ready for action. He reports that construction of the barrage was started on 29 Jan.

6. Situation France:

The Naval Attache at Madrid has asked the opinion of the Naval Staff concerning the possibility that British troops might land in French West Africa, and that General Nogues might go over to the British. The Naval Staff believes that it is definitely one of the British aims to eliminate the threat from French West Africa to the Atlantic routes of the Allies, and to gain British bases in the West African and Moroccan areas. The danger that the Allies will take such action will become acute only when they feel that they can no longer be sure of France's attitude. Such an operation depends on the troops and ships available, and would probably be launched from Nigeria. At present it is considered just as improbable that the British would make such a landing, in view of the many tasks elsewhere, as that General Nogues would desert the Petain government.

VIII. Situation East Asia

1. Enemy Situation:

Reuter reports that the British have evacuated Malaya.

2. Situation Japan:

During a Japanese air attack on Singapore on 30 Jan., extensive damage was done to the naval base Salatar. Japanese submarines are stationed in Penang.

IX. Army Situation

1. Russian Front:

Southern Army Group:

Strong enemy attacks and successful German counterattacks took place only in the area of the 17th Army. An enemy penetration south of Papaznaya is being mopped up. Snow storms are greatly interfering with operations.

Central Army Group:

Enemy attacks were repulsed at Byelev and Sukhinichi. German attacks west of the Volkhov and west of Medyn for the purpose of closing the gap there were successful. In the Rzhev area it was also possible to improve the situation considerably. Several villages were taken.

Northern Army Group:

Strong enemy pressure on Kholm forced the Uckermann Group to abandon the position and to withdraw to the west. Since fighting is going on around the highway southwest of Kholm, our troops had to be supplied by air. Also at Staraya Russa the enemy succeeded in advancing to the highway.

2. Finnish and Norwegian Front:

Situation unchanged. An agent reports that the enemy is organizing a new army (the 1st Reserve Army) in the Astrakhan area. So far provision has been made for ten divisions.

3. North Africa:

The enemy is evidently systematically evacuating Cyrenaica under cover of a strong rear guard.

Small groups of the German Africa Corps cautiously advanced from the southwest and the west toward Maraua, where stubborn fighting had developed by evening. 11 tanks were destroyed, 100 prisoners taken.

GLOSSARY

Abwehr

Amt Ausland/Abwehr, the Armed Forces intelligence, sabotage, and counterintelligence agency.

Barbarossa

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

Briefunschlag

A reference point for German ships, located at 41.5° N, 35.5° W.

Cerberus

Code name for the operation involving the transfer of the SCHARNHORST, GNEISENAU, and PRINZ EUGEN through the Channel in February 1942.

An exceptionally large number of code or cover names was used in this operation, a fact which seems to have led to some confusion and jeopardized the secrecy of the undertaking. Thus the over-all operation was referred to not only as "Cerberus", but also as "Mandarine", "Torero", "Ganges", "Korsika" and "Labyrinth".

The operation of the 3rd Air Force in connection with the breakthrough was known as "Donnerkeil", and various phases thereof as "Papagei", "Gewitter", "Hagel", "Blitz", "Offenes Visier", and "Fruehlingsanfang". The adviser to the Commanding Admiral, Battleships, Col. Ibel, stationed on the SCHARNHORST, was known as "Jafue Citrone"; an officer in similar capacity on the GNEISENAU as "Georg", and on the PRINZ EUGEN as "Peter".

The stationing of the mark boats was known as "Ameise".

EMC mine

Standard mine, type C; a contact mine against surface vessels.

EMF mine

Standard mine type F; a moored influence mine.

Erpel

A reference point for German ships, located at 42° 05' N, 38° 40' W; the same as "Sperber".

Etappe

Secret German naval organization for providing German naval units with information and supplies from foreign bases. Etappe Japan was of great importance for German blockade-running activities.

FAB XI

A combination magnetic and acoustic firing device for mines.

Groningen

A rendezvous or reference point for German ships, located at 26° S, 31° W.

Hoofden

A body of water in the southwestern part of the North Sea near the entrance of the Channel, in the area between the Netherlands and the southeast corner of the British Isles.

Kiruna

A reference point for German ships, located at 21° N, 47° W.

Korsika

See Cerberus.

Kuesel Minefield I

A minefield blocking the western navigation channel of the entrance to the White Sea. The mined area was rectangular and its boundaries were approximately the following: 67° 30' N; 67° 25' N; 41° 32' E; 41° 09' E.

LMF

Aerial mine, type F; moored parachute mine with magnetic firing device.

Mandarine

See Cerberus.

MAS

Italian subchasers; light fast PT boats.

News Analysis "Foreign Navies" (Nachrichtenauswertung "Fremde Marinen")

A daily analysis of foreign newspaper reports concerning foreign naval news, compiled by the Naval Staff Intelligence Division (3/Skl).

Paukenschlag

Code name for first operation of submarines off the U.S. coast beginning December 1941. The submarines involved in the operation were designated as group "Paukenschlag".

Polarnacht

Cover name for the transfer of the TIRPITZ from the Schillig roadstead to Trondheim on 14-16 Jan. 1942 (operations order issued by Group North on 6 Jan.)

Political Review (Politische Uebersicht)

A daily review of political developments abroad published by the Naval Staff Intelligence Division (3/Skl).

PQ

Designation of convoys proceeding eastward from the United Kingdom to northern Russia.

QP

Designation of convoys returning to the United Kingdom from northern Russia.

QQQ signal

Distress signal sent by ship when sighting or under attack by armed raider. QQQ was also used when suspicious merchant vessels were sighted.

Route "Anton"

A German shipping route. Its geographical borders were: The French coast at 47° 30' N; 47° 30' N, 29° W; 43° N, 40° W; 37° N, 40° W; continued on 37° N; the southern and eastern borders of route "Anton" were defined by the borders of the operations zone of the submarines in the South Atlantic.

Route "Bruno"

A German shipping route via 30° N, 36° W; 32° N, 30° W; 37° N, 17° W; 44° 30' N, 11° W. From then it continued the same as route "Anton", which see. Route "Bruno" was to be used only upon express orders from the Naval Staff when evasive action became necessary.

Route "Lila"

A German shipping route to the west of route "Rosa", branching off the latter near Ostend and rejoining it near Calais.

Route "Rosa"

German shipping route along the western coast of France.

RRR signal

Distress signal sent by ships when sighting or under attack by enemy warship.

Schneekoppe

Cover name for operations of the forces of the Commanding Admiral, Defenses West to bring the Italian ship CORTELAZZO, which was carrying a valuable cargo from Japan, into Bordeaux. The CORTELAZZO was sailing as the Swedish ship DELHI.

Schnellhefter

A reference point for German ships located at 90° N, 400° W.

Seeloewe

Cover name for the planned invasion of England.

Siebel ferry

A double-hull ferry boat developed by Special Command Siebel (Sonderkommando Siebel). It consisted of two steel hulls connected by means of wooden platforms; there was a turret in the center. The Siebel ferry could be used as a gun platform, troop carrier, or supply carrier.

Sperber

A reference point for German ships, located at 42° 05' N, 38° 40' W; the same as "Erpel".

SSS signal

Distress signal sent when sighting or under attack by a submarine; could also indicate being damaged by a mine.

Standard mines, Type C and F

See EMC and EMF mines.

Stempelkissen

A reference point for German ships located at 27° S, 12° W.

Torero

See Cerberus.

Type VII C

A 500 ton sea-going submarine. It was 67.1 meters (221.43 ft.) in length, had diesel-electric propulsion, and was armed with 4 bow tubes and one stern tube.

Weichsel

Code name for a minelaying operation in the Hoofden area. Vessels of the 1st, 4th, and 5th Mine Sweeper Flotillas and the 5th Motor Mine Sweeper Flotilla participated in laying minefields SWc, d, and e.

SWc extended from

52° 38.4' N, 3° 28.6' E to
52° 34.0' N, 3° 31.2' E.

SWd extended from
52° 44.3' N, 3° 25.5' E to
52° 41' N, 3° 30.6' E.

SWe extended from
52° 51.8' N, 3° 21.2' E to
52° 47.1' N, 3° 26.6' E.



