FACED WITH AN ALTERNATIVE
A failed submarine deal

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In the 1930s it was decided to modernize the navy of Estonia. Its two largest warships were sold, and two modern submarines were ordered from England in 1934. The keels of the two similar submarines were laid down in May 1935 in England by Vickers-Armstrong. On July 1936 they were named “Kalev” and “Lembit” and launched shortly thereafter. Already on November 22, one month after the Red Army units had occupied their bases in Estonia, Germany had expressed its interest in obtaining the two Estonian submarines. On July 6 1940 Germany terminated the negotiations regarding the purchase of the Estonian submarines.

In the year of 1939, just before the start of the Second World War, Estonia owned 17 navy ships, two of these submarines – named “Kalev” and “Lembit” – built in 1934 by the British firm Vickers Armstrong. The history, and the fate, of these two submarines has continued to be in the focus of Estonian historians throughout the past decades. These two warships, launched more than 70 years ago, have always been viewed as objects of national pride.

Although much has been written about the two Estonian submarines, until now one aspect in their history has not been touched upon: Hitler-Germany’s attempt to purchase these modern British-built submarines as training submarines for the German navy in the fall of 1939. This topic is the main subject of this article which will also briefly cover the foreign policy activities of the Estonian government in this critical period. In addition, this account will describe the technical features of the two boats in question, the financial aspects of their procurement, also provide the background of the personalities involved in the sale negotiations, and finally analyze the reasons why Germany did not succeed in purchasing the coveted submarines despite its best efforts.

Even today, with the subject a part of the almost forgotten past, the pro and con arguments continue to preoccupy Estonian historians. Specifically, they ponder whether or not the purchasing of two, although modern, submarines for the Estonian navy in 1934 was a rationally acceptable step to take. Then and even now some opponents of the submarine purchase claim that the 9,000,000 Ekr
spent on these two submarines would have bought Estonia a modern and efficient air force, at least the best in the Baltic states.

It is clear from the available historical documents that altogether seventeen manufacturing companies from seven different countries were interested in producing the submarines for the Estonian navy. In 1933 Germany was anxious to get the order from Estonia for two U-boats, which were going to be built by a Dutch company, the Ingeneurskantoon voor Scheepsbow, a concern financed by the German capital. But this firm was not acceptable to Estonian authorities, who ordered the U-boats from Great Britain instead. Nevertheless, the developing plan to purchase the submarines from Great Britain was strongly backed by General Johan Laidoner, and professor Ants Piip, the well-known Estonian diplomat, and the Foreign Minister.

Estonia’s final choice of the manufacturer depended on various technical questions as well as its own foreign and domestic policy factors. In technical terms the British firms, particularly Vickers Armstrong Ltd., stood out among the competitors because of their many years of experience in successfully building submarines for the British as well as for foreign navies. As for the foreign policy considerations, the Estonian leadership felt a certain allegiance, and considered themselves obligation-bound, toward the British people: in January 1919, Great Britain had presented the newborn and struggling Estonian republic, at the time of fighting with the Soviet Russia, with two captured Russian mine-cruisers, “Avtroil” and “Spartak”. These cruisers eventually became the backbone of the Estonian navy. Further, the Estonians feared that ordering the submarines from some other country might negatively influence the Estonian-British relations. From the birth of independent statehood, Estonia viewed the Soviet Union as the hostile power in the region.

In domestic policy terms, the preceding points in respect to the trade and commerce would become issues for Estonian agricultural and manufacturing sectors, and thus negatively influence its domestic policies. Again, ordering the submarines from Great Britain in preference to all other countries would be advisable also from a domestic point of view.

Furthermore, the feelings of Estonians as a nation had to be taken into account in the matter of choosing a suitable, and satisfactory, manufacturer for building the planned submarines. Because of the help and support received from Great Britain during the War of Independence (1918–1920), most Estonians felt that the right thing to do under the prevailing circumstances was to contract a British firm to build the desired submarines. Thus, because of the above described arguments the Estonian government eventually decided to contract a still undetermined

1 Shef der Marineleitung to the Auswärtiges Amt, August 22, 1933; Reinebeck’s report, May 12, 1934. US National Archives II College Park, Maryland (NA II) RG-242 T-120 R-3883, K076705; K076740–K076742. About the Ingeneurskantoon voor Scheepsbow see Forsén, B., Forsén, A. Saksan ja Suomen salainen sukellusveneyleistyö. WSOY, Porvoo, 1999, 11.
British manufacturer for building its two planned submarines. In time, Vickers &
Armstrong Ltd. was chosen for the job.

In parallel with the described process of choosing the manufacturer for the
desired two submarines, the Estonian government was also making financial
preparations for carrying out the project. First, the proceeds from the sale of its
ageing cruisers to Peru in 1933 for 410,000 U.S. dollars or 2,312,400 Ekr. which
were going to be used for purchasing the two planned submarines. Second, in
1933 the government established a Voluntary Special Governmental Submarine
Collection Fund which during the next six years eventually collected 512,000
Ekr. It has to be mentioned that the government utilized this collection agency
successfully also as a propaganda instrument in matters other than the purchase
of the submarines for its navy. Third, to complete the financial preparations, on
December 21, 1933 the Riigikogu adopted a “law for Improvement of the Navy
and Preparation of the Budget for the Project’s Realization”. It should be mentioned
here that the preliminary estimates put the total cost of the project into the
6,000,000–9,000,000 Ekr. range.

On December 12, 1934, the Estonian government signed the contract for the
building of two submarines with the British firm Vickers & Armstrong Ltd for
a price of £360,000 or 6,611,059 Ekr. According to the contract these boats
were to be delivered in 1937. This purchase was the most expensive weapons’
procurement ever taken on by the Estonian republic.

On July 7, 1936 the launching of the new Estonian submarines, “Kalev” and
“Lembit”, took place in Barrow of Furness. The British Admiralty was represented
by Admiral Sir Percy Addison. Vickers & Armstrong Ltd. announced that these
submarines were the 168th and 169th of its production-line. “Kalev” arrived in
Tallinn in June 1937 and “Lembit” about one month later.

On their arrival, the boats were not as yet fully equipped with the necessary
machinery and instrumentation for active duty. Radar, sonar, hydrophonical devices
and submarine internal telephone were installed in September-October 1937 by
the German firm “Atlas-Werke”. Finally, in September 1938, the Swedish firm
“Bofors” mounted two 40 mm automatic guns on each boat for the price of & 7,300
or 134,028 Ekr.

To bring the boats to (a) full service capability, the training of their crews
followed: the navigational trips undertaken in 1937 in the Baltic Sea prepared the
chosen individuals for service on both submarines. These men had been selected
from the total pool of Estonian military manpower reserves, including the border
guards. The cost of training the boat crews – a total 34 men of whom 4 were
officers, 28 petty officers and 2 were seamen. 6

3 Sammet, J. Eesti allveelaevade saamisloost. Allveelaev ajaloomälestisena. (Eesti Meremuuseumi
Toimetised, 2.) Teaduste Akadeemia Kirjastus, Tallinn, 2001, 8.
4 Estonian Parliament.
5 Sammet, J. Eesti allveelaevade saamisloost, 9.
6 Ibid., 13.
“Kalev” and “Lembit” shared many features with the S-class submarines built for Britain’s own use. The more notable features and capabilities of the new submarines were as follows. They had been designed for both the offensive as well as the defensive: to carry and launch torpedoes and to carry and lay mines even when submerged. In addition to the respective necessary equipment, both submarines were furnished with the required standard detection and communication systems. Each submarine was powered with two 600 HP diesel engines which permitted them to reach a maximum speed of 13.7 knots while cruising on the surface and 8 knots when cruising submerged under normal conditions. The supply enabled constant 24-hour stays under water and available air supply enabled constant 24-hour stays under water and available storage space for food and life subsistence needs made 30-day campaign missions possible. The British historian Brian D. Head concludes that the S-class submarines operated during the Second World War in the North Sea and the Mediterranean and proved to be very effective overall.

Initially, as described at the beginning of this article, the Estonian government had based its war strategy on the military, specifically on the naval cooperation with Finland. In 1931, Finnish president Svinhufud advised prime minister Päts that the Estonian and Finnish peoples must work together as neither country could protect itself militarily alone and that on the seas the co-operation must be total. Up to the second half of 1930s both Estonia and Finland viewed Germany only as a potential guarantor of their independence as well as a possible ally against the Soviet Union. The submarines were expected to work in concert with Finnish submarines and coastal batteries to protect the Gulf of Finland and prevent the Soviet Navy entering the Baltic Sea until help arrived from the West.

In the beginning of July 1938 Lieutenant General Nikolai Reek, The Estonian Chief of General staff, informed Hans Frohwein, the German envoy in Tallinn, that Estonia had decided to offer resolute military opposition to any Soviet efforts of marching through its territories, but expects German military assistance if a military struggle ensues. Reek also told Frohwein that Estonia will ready to mine the Gulf of Finland, its straits and entrances to block the Soviet Navy from entering the Baltic Sea. It should be noted here that the Estonian submarines were also capable of laying mines.

On August 23, 1939 a Soviet-German Non-Aggression Pact was signed in Moscow. This pact between two European superpowers changed the continent’s

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7 Ibid.
political landscape totally. Reek’s offer to the German envoy was no longer operative because now Estonia belonged to the Soviet zone of interest. This circumstance became a reality when the Soviet-Estonian Mutual Assistance Pact was signed on September 28, 1939 and in October the Soviet military forces moved into bases in Estonia dictated by the agreement. Within a few days Latvia and Lithuania had followed suit by signing similar pacts.

According to Michael Gunton, at the beginning of the Second World War the British had 69 submarines at their disposal, 6 of which were minelayers and 33 of which had been built before 1935. They were reasonably well-equipped with efficient guns, torpedoes and fire control. The German U-boat arm was almost caught by surprise when war was declared, having only 57 boats of their disposal. The Germans had plans to build over 200 U-boats and many were under construction, but when the war started they were ill-prepared. After the Soviet-Estonian pact was signed, Germany started proceedings, leading to the purchase of Estonian submarines. Already on November 22, one month after the Red Army units had occupied their bases in Estonia, the OKM12, Seekriegsleitung Amtsgruppe U-Bootswesen13, presented to the OKM a memorandum proposing the purchase of allegedly available Estonian submarines, with stated intention to be used for training German U-boat crews. The reason given for this proposal was that by June 1940, the established time goal of the OKM, German shipyards were not able to produce the required 35 U-boat training ships. It becomes also clear from this memorandum that OKM had proposed similar schemes at earlier times, although with the Soviet Union, Italy and Japan in mind as the donor states. Initially Hitler had agreed to the proposal that the desired submarines could be bought from the Soviet Union, but had soon changed his mind. By this time it also had become clear that neither Italy nor Japan were willing to depart from their submarines in favor of Germany. Therefore the Seekriegsleitung Amtsgruppe U-Bootswesen shifted its attention to Estonia and Latvia as the donors of desired submarines. By then Germans also recognized that properties left behind by the evacuated Baltic Germans could, perhaps advantageously, be utilized as the payments for the boats in question. It was also believed that the Soviet bases had created a situation in which owning submarines had become meaningless for small nations like Latvia and Estonia.

For some reason, only Estonian submarines were chosen. Apparently this was due to the fact that Berlin considered Estonia to be the most German-friendly of the three Baltic states. Additionally, the brand-new Estonian submarines probably contained the latest inventions and thus were excellent sources of technical information and design details of the British shipyards. For all these reasons the

12 Oberkommando der Kriegsmarine.
13 Headquarters of U-boat Division.
14 Memorandum by Seekriegsleitung Amtsgruppe U-Bootswesen 22.11.1939. NA II RG-242 T-1022 R-2917.
OKM was interested in acquiring the two Estonian submarines in preference to the Latvian two French-built submarines which, however, were older and therefore technically not up-to-date.

The submarines purchasing project was initially turned over to the Auswärtiges Amt and Foreign Minister Joachim von Ribbentrop. Already on November 22 Hans Frohwein, the German envoy in Tallinn, received an encoded telegram informing him about OKM’s tentative plans to purchase both Estonian submarines. The telegram requested him to pass the order to Admiral Reimar von Bonin, the German naval attaché in Helsinki, also accredited to Estonia and Latvia, and direct him to guardedly approach the Estonian authorities in the matter.15

The conclusion of the mutual assistance pact brought about a change in the Estonian government. The new government assumed office on October 12, 1939 with Jüri Uluots as the Prime Minister, Ants Piip as the Minister of Foreign Affairs, Lieutenant General Reek as the Minister of War, August Jürimaa as the Minister of Internal affairs and Paul Kogerman as the Minister of Education, while the rest of the positions were held by their previous occupants. The German legation in Tallinn generally approved the changes in the government. Telegrams sent to the Auswärtiges Amt by envoy Frohwein indicated a positive view of Reek, who was considered very friendly to Wehrmacht, and a true supporter of the Reich and admirer of German Military prowess. Frohwein was also satisfied with Leo Sepp, the Minister of Finance, whom he thought an active backer of good trade relations with Germany. Frohwein warned of professor Jüri Uluots, the new Prime Minister, but was unhappy with the choice of professor Piip because of his earlier connections with Great Britain.16 Frohwein stated that Piip, unlike his predecessor, Foreign Minister Karl Selter, had personal connections to Britain and, because of this, the Foreign Ministry should be by-passed in the matter.17

At the end of 1939 and the beginning of 1940 the above-described submarines project was not moving with the necessary urgency. First, envoy Frohwein had not reacted to the Auswärtiges Amt’s November 22 letter. Only on February 21, 1940 Frohwein informed Auswärtiges Amt that Bonin had delegated him, the envoy, to communicate with the Estonian government to start negotiations in the matter. Frohwein stated that he had informed the relevant Estonian officials of this, but they had reacted negatively.18

From the memorandum of Bonin it transpired that he had become aware of the submarine purchasing deal as a late as December 1939 and had personally acted in the matter only after his visit to Berlin in the middle of February 1940. However, by this time fortunately Colonel Körner, the German deputy military attaché, had already approached a nameless Estonian confidant to get the case rolling.19

15 See Bonin’s report, June 20, 1940. NA II RG-242 T-1022 R-2917, PG4888NID.
16 See Telegram by Frohwein, October 13, 1939. NA II RG-242 T-120 R-279, 214510.
17 Ibid.
18 NA II RG-242 T-120 R-279, 214600.
19 Bonin’s report, June 20, 1940. NA II RG-242 T-1022 R-2917, PG4888NID.
On February 23, 1940 a meeting of German High Command, with Hitler, Grand Admiral Erich Raeder, the Commander of German Naval Forces, General Wilhelm Keitel, the Chief of staff of OKW\textsuperscript{20}, and General Alfred Jodl, the Chief of OKW’s Operation Section participating, took place. In discussions about the sea warfare the subject of purchasing Estonian submarines came up. The protocol of this meeting reports tersely that “According to a private discussion with the assistant of the military attaché, Estonia appears to be ready to transfer her two submarines to Germany, provided that Russia agrees.” This is followed by the practical recommendation that “Estonia herself would have to obtain this agreement from Russia and offer the submarines on her own initiative. Then the acquisition would be most desirable.” And it closes with the statement that “The Fuehrer agrees to this procedure.”\textsuperscript{21}

On February 28, OKM dispatched letters to the Auswärtiges Amt and to German legation in Tallinn declaring Hitler’s approval to Admiral Raeder’s proposal to buy two Estonian submarines and also stressing the point that the transaction was an important issue to Germany, and that these boats were not intended for military use but for training purposes only. This message also stated that if Estonia wished to replace the sold submarines with some torpedo boats, the German government would be willing to manufacture these in its shipyards.\textsuperscript{22} According to the memorandums originating in the Headquarters of U-boat Division this offer proved to be unrealistic: the promised torpedo boats could have been built by 1942 at the earliest, but most likely after the end of the war.\textsuperscript{23}

The next communication from the OKM, a memorandum dated March 2, expressed amazement that the legation in Tallinn had remained relatively passive in advancing the deal. This memorandum demanded accelerated action from the German naval attaché in Tallinn. It repeated the point that the initiative for the proposed deal should come from the Estonian government which also should ascertain the agreement of the Soviet government to the deal. It also restated the Führer’s continuous interest in the matter. Finally, it recommended to by-pass the Estonian Foreign Ministry in the coming negotiations about the proposed transaction.\textsuperscript{24}

Another month passed by before Bonin had a chance to act and then inform the OKM about his progress. In an April 23 letter he wrote that on the advice of OKM and Auswärtiges Amt he had moved carefully and that at least regarding the Estonian government officials he had got nowhere as these officials did not want to know anything about the proposed submarines deal. As a support for their

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\textsuperscript{20} Oberkommando der Wehrmacht.
\textsuperscript{22} OKM to Auswärtiges Amt 28.2.1939. NA II RG-242 T-1022 R-2917.
\textsuperscript{23} Memorandum by Seegriegsleitung Amtsgruppe U-Bootswesen 30.3.1940. NA II RG-242 T-1022 R-1982.
\textsuperscript{24} NA II RG-242 T-1022 R-1982.
\end{flushleft}
negative position, they offered Bonin three reasons. First: because of the national pride involved in the matter the sale of the boats was unrealistic. Estonians viewed these boats as a national treasure; second: because the submarines were purchased with money, at least partly collected from the nation; third: the ships were extraordinarily well armed and met operational requirements. In his letter Bonin also declined to accept Colonel Körner’s more optimistic views in the matter because he suspected that the information on which Körner had since February 19 based his conclusions had been received from a self-serving confidant. However, Bonin still agreed to cautiously continue investigating the possibilities, and to carry out the order received from the OKM. 25

More than a month passed before Bonin was able to inform Berlin again about the state of things. On 24 May, Bonin flew from Helsinki to Tallinn – to carry out the verbal orders of the Submarine Group – to establish a new contact for the purpose of acquiring the two Estonian submarines. While doing this, he found that Germany and Estonia had a special relationship and that the purchase of the submarines was an inevitable undertaking. Bonin’s war diaries offer additional information about the conversations in Tallinn, secret discussions that by-passed the embassy. It becomes clear that he met with a confidant with whom the aide to the military attaché had had discussions already in 1939. Bonin wrote in his war diaries that this nameless confidant did not consider the purchase of Estonian submarines through official channels advisable, actually impossible, but recommends as conclusion to try unofficial private channels. 26 In his long report from May 25, Bonin thoroughly analyzes some aspects of the possible submarines deal. First, he considers this business transaction very important to Estonia, particularly from the foreign policy standpoint: the sale of the British-built submarines to Germany would not only go against the laws of neutrality but will also be contrary to the wishes of Estonian Foreign Minister Piip. Speaking of domestic policy issues, Bonin stressed again that the ships were the embodiment of a national symbol: bought in the name of Commander-in-Chief Laidoner and with the people’s money. It nevertheless becomes clear from the report that the matter had begun to shift in a direction favorable to Germany: “My confidant warns urgently against the straight path. Receptiveness from Päts, Uluots and Sepp can be expected only if the purchase occurs with the mediation of Sweden.” 27 At the same time the naval attaché stated that, whereas the president favored the sale, one must expect opposition from Commander-in-Chief Laidoner. Whereas Bonin’s report makes clear the opposition of Laidoner and II Division Commander Willem Saarsen to the undertaking, this was not the case with all higher-ranking Estonian military officers. In Berlin, military attaché Ludwig Jakobsen had informed Bonin that the submarines were not especially suited to Estonian needs, that they were “too big and unwieldy.” Bonin now discussed the confidant’s recommendation to use a

26 Bonin’s war diary, May 1940. NA II RG-242 T-1022 R-4089, PG4875.
middleman. He named the Swedish firm *Bofors* but had to confess that he had not yet been able to address this question.28

It becomes clear from the letter that the President, Prime Minister Uluots and Minister of Finance Sepp were ready to sell the submarines, with Sweden’s mediation, to Germany. What could be the reason for this? Did they foresee Estonia’s fate and wished to avoid the submarines falling into Russian hands? This appears unlikely. The president was convinced to the end that by yielding and subservience he could outsmart the Russians until the start of the German-Soviet war.

For example on April 29 Päts in his talks with envoy Frohwein stated that Estonians had never belonged to the Russian-Asiatic cultural domain but always to the Western, i.e German, cultural realm and that he hoped that Europe’s remaining rational political leaders would be able to settle the conditions of peace on the continent before rushing into new destructive military actions. Päts emphasized that, bearing in mind their independence and free national existence, Germany’s concept of constructing a New Europe was important to the small nations of Eastern Europe, even if this should be accompanied by certain restrictions.29

Let us now examine more closely the foreign and domestic policy arguments raised by Bonin. The sale of the submarines did indeed have foreign policy implications. The ships were built in England, their sale to a nation at war would have been a breach of neutrality and unacceptable to those Estonians whose sympathies lay with Britain and France. There were sufficient numbers of such individuals in Estonia. As for to the submarines, it is worth recalling that “Lembit” and “Kalev” were funded partly with money obtained from the sale, to Peru, of Russian warships that had been given to Estonia by the British. A domestic policy and psychological element was the fact that the ships, built partly with money donated by the people, had become a national symbol.

The military also belonged to the domestic policy issues. How would the crews of the submarines, trained in England, react? We can only guess. Displeasure would probably have been general. In May, 1939, when the Estonian military leadership had decided to send the submarines on a visit to Kiel, one of the officers immediately informed the British Passport Control Officer (intelligence resident in Tallinn).30 On May, 22 the Passport Control Officer told to Wilfred Hansford Gallienne that an Estonian naval officer had informed him that Lieutenant General Reek had given secret orders that the submarines were to go to Kiel after their visit to Finland. The officer, whom it has not been possible to identify, stated that the submarines officers were most displeased since they are generally pro-English and since they had promised when they were in England that they would never let

28 Ibid.
29 Telegram by Frohwein, April 29, 1940. NA II RG-242 T-120 R-1171, 474739.
the ships be inspected by a country who might become a potential enemy of Great Britain. News of the planned visit of British-built submarines to Germany, in the spring of 1939, in the tense international situation, was a surprise to the Admiralty: “We understand, from secret sources considered reliable, that at the instance of the Estonian Foreign Office, the proposed visit has been abandoned. If this is confirmed, there would of course be no occasion for any further action, but we think you might like to intimate to Consul that whilst the cause of his uneasiness is fully appreciated there would have been difficulty in finding valid grounds for formal protest against the visit in question.”\(^{31}\) It was believed that the military chief of staff, Lieutenant General Reek, on whose orders the visit was to occur, had been bought off by the Germans. The British consul in Tallinn, Gallienne, did not believe this. On 28 June he reported to London: “I agree that this seems to confirm our suspicions of Reek, but I personally do not believe – as some do – that he is actively anti-British, or has been bought by the Germans. My opinion is that he considers the German army the finest in the world, and the only one to be admired, emulated and placated. However this is only a question of degree and as far as results are concerned we must look on him as a danger.”\(^{32}\) The visit to Kiel was intended as a political demonstration at a time when, negotiations were taking place among the Soviet Union, Britain and France for an alliance against Germany. An item in the tri-partite negotiations was guaranteeing Latvia, Estonia and Finland against German aggression. The visit was intended by the military leadership as a demonstration of their opposition to the Soviet-British-French guarantee and the encirclement of Germany. Gallienne’s protest to the Estonian Foreign Ministry nevertheless put a quick end to the plan.

Commander-in-Chief Laidoner, Chief-of-Staff Reek and his aide Colonel Richard Maasing, who had at this point already left Estonia, were believed in Berlin to be especially German-friendly. It is possible this was the basis for the belief that the purchase of “Kalev” and “Lembit” would succeed.

But who was the Estonian confidant to whom Bonin refers to in several reports without naming him? This becomes clear from Bonin’s war diary. In the latter the naval attaché has, along with other events, made dated entries concerning the negotiations about the purchase of the submarines. The confidant was the internationally known arms dealer Boris Linde. It is appropriate to discuss the Linde persona. In 1919–1920 Linde was active in an anti-Bolshevik league and was known for his monarchical views. At this time he was flat broke. Just like Päts, Linde had been involved in banking an “Easter trade” (with the communist regime of Russia) but according to rumors unsuccessfully. A relationship of trust with Päts made him one of the richest men in Estonia. After Päts’s coup d’état of March 12, 1934 Linde had become an internationally known arms-trafficker. Päts and Estonian

\(^{31}\) Admiralty to Foreign Office (Visit of two Estonian submarines to Kiel), June 9, 1939. PRO FO 371/23603, N 2900/177/59.

\(^{32}\) Gallienne to Collier, June 28, 1939. PRO FO 371/23603, N 3216/177/59.
higher military leadership trusted Linde to organize a number of arms deals. At this time Linde was closely associated with Mikhail Bondarenko.33

The president and the military leadership trusted Linde with the variety of transactions. Linde, Bondarenko and the president’s son Viktor Päts were the ones who were entrusted with selling off Estonia’s aging weapons to the republicans in Spain.34 In 1937–1939, Estonia sold, through dozens of agreements, weaponry for 16, 000,000 Ekr.—cannons, minethrowers, airplanes and ammunition.35 This was seven times more than was realized from the sale of the destroyers “Lennuk” and “Wambola”.

Linde was associated with the “Bena”—“Nicolina Matkovic”—“Sharon”—“Vena-Scotia” scandal.36 Because of international obligations, Estonian authorities were forced to arrest, in October, 1937 a ship that had arrived port side at Paldiski. “Bena” had previously left Gdynia under the name of “Jaron”, sailing under the British flag which during the trip was replaced with the Greek flag, in Paldiski claiming Bordeaux as it final destination.37 During its journey to Paldiski it had been followed by a suitably armed privateer named “Alracon” (or “Al Rocque”) and sailing under the French flag. In Paldiski harbor “Alracon” blocked “Bena” from exiting, and when eventually the Estonian custom officers boarded “Bena” they found various war materials of Czechoslovakian origin in its last: a great number of fieldguns, machine guns and 4,000,000 cartridges. Later a court case ensued between the owners of the ship and the owner of the cargo. Meanwhile the cargo of “Bena” was sent on the ships of “Järvamaa” and “Virumaa” (belonging to the Tallinn Shipping Company) back to Gdynia.38 One of the owners of the weapons cargo was arguably Linde. On October 14, 1937 “The Times” reported that “Bena’s” cargo had been worth £ 1,500,000 and its final destination had been the republicans’ side of the Spanish Civil War.

In any case in the beginning of June 1940 the U-boat Division of OKM still insisted on continuing Estonia’s submarine purchasing project. It was again requested that the Estonian government take the initiative in selling the ships and that the Soviet Union be informed of the matter. The need to inform the Soviet Union was emphasized. It was also decided to offer the Estonians in recompense small U-boats built in Dutch and Danish shipyards.39 Even a few days before the

33 Originally from the Ukraine, the Russian emigrant Bondarenko arrived in Estonia in 1936. He had lived for a time in Paris and had been associated with the internationally known arms merchant Sir Basil Zacharoff.
34 See Kromel’s protocol of the cross-examination, September 29–October 4, 1940. Eesti Riigi-archiivi Filiaal (ERAf), f 130, n 3802, s 2, l 185.
37 See Estonian Foreign Ministry to the Estonian Maritime Board, October 19, 1937. Eesti Riigi-archiivi (ERA), f 957, n 14, s 456, l 12.
39 Memorandum by Seekriegsleitung Amtsgruppe U-Bootwesen 7.6.1940. NA II RG-242 T-1022 R-2917, PG488-NID.
ultimatum was presented to the Baltic states, it was hoped in Berlin that the purchase of the ships would be successful. On 12 June, OKM addressed a new letter to the Seekriegsleitung Amtsgruppe U-Bootswesen and the naval attaché in Helsinki. This letter repeated again that Hitler’s agreement to buy the Estonian submarines was contingent on two requirements: Estonia should itself make the proposal to Germany and this should occur through Russia or with Russia’s knowledge.40 It was again stressed that the purchase of the ships would be accompanied by domestic and foreign policy as well as psychological issues for Estonia. Therefore, the naval attaché was advised to be extremely careful in his discussions with the Estonians. The letter stated that using Sweden as an intermediary for the transaction was unacceptable as it was contrary to Hitler’s directions and also not recommended for political reasons.41

On 16 June 1940 the Soviet government presented Estonia with an ultimatum, followed by the occupation of the country a day later. The Soviet Union also demanded the formation of a Soviet-friendly government. On 21 June, President Päts appointed into office the government of Johannes Vares-Barbarus. All this brought profound changes to the planned purchase of the ships. On the same day the new government took office, the Seekriegsleitung Amtsgruppe U-Bootswesen sent the naval attaché a telegram asking him what he thought: would it be worthwhile to approach the Estonian government about the planned purchase of the submarines or should the negotiations be ended.42 On June 28 OKM asked the naval attaché whether it was still possible to purchase these submarines without the knowledge of the Soviet government. Bonin’s reaction to these question can be found in his war diaries were he stated that without any further investigation it is impossible to answer these inquiries truthfully, but added that he had contacted the Commander of Estonian Navy.43 Subsequent events in the Balticum obviously demonstrated to the Germans the hopelessness of the transaction.

After this final inquiry the OKM seemingly gave up – OKM July 5 letter to Seekriegsleitung Amtsgruppe U-Bootswesen and OKW Foreign Department concluded, particularly in taking into account Hitler’s demand to continue negotiations only if it is done on Estonian initiative. It becomes clear from the letter that Hitler himself had forbidden any contact with Moscow regarding “Kalev” and "Lembit”: “Dealing with Moscow is contrary to the Führer’s instructions; it is in conflict with the current foreign policy line”.44 On the next day, July 6, the Seekriegsleitung Amtsgruppe U-Bootswesen ordered the Helsinki naval attaché and the OKW Foreign Department to terminate negotiations regarding the purchase of the Estonian submarines.45 The decision is understandable. In a memorandum

41 Ibid.
43 Bonin’s war diary, June 1940. NA II RG-242 T-1022 R-4089, PG4875NID.
45 Ibid.
written on 3 July, Reichswirtschaftsminister and Reichsbank president Walther Funk stated that German firms and business circles were continually providing information that, the near future, one must consider on a total political and economic structural transformation in the Baltic states and that Soviet influence in the economic sphere increases daily. At the same time, it has been impossible to find any document in the Soviet archives which would show any attempt by the Estonians to discover Moscow’s views.

It is worth noting that in the summer of 1940, Juhan Nihtig (Narma), business man and Minister of Finance in the Vares government, who is also identified as a Soviet intelligence agent in Soviet intelligence documents, informed Mikhail Botshkarjov, consul and political intelligence resident at the Soviet embassy in Tallinn, that the government led by Prime Minister Uluots had wanted to sell the complete Estonian navy to Britain and that negotiations to this effect had been carried out for as long as six months. Beria considered this news so important that he informed Stalin, Molotov, Kliment Voroshilov and Semjon Timoshenko. Confirmation that the Estonian government also negotiated with Britain over the sale of the submarines has been impossible to find.

In conclusion, the ultimate fate of the two Estonian submarines needs to be told. On 6 August, after news of Estonia’s incorporation into the Soviet Union, the submarines raised the flag of the Soviet Union. Based on the 13 August 1940 decision of the Supreme Soviet of the Commissar of War Navy, Nikolai Kuznetsov gave an order to the Soviet Baltic Bavy under the red flag which resulted in the placing of both the Estonian and Latvian battleships under the command of the Soviet Baltic Navy. At the beginning of the German-Soviet war both “Kalev” and “Lembit” fought the German Navy in the Baltic Sea. In November 1941 “Kalev” hit a mine near the Naiissaar Island at the entrance of the Tallinn harbor, and sank. “Lembit” survived the war with six battles. It sunk two enemy warships, two supporting ships and presumably other seagoing vessels with mines launched by it into hostile waters.

**CONCLUSION**

The following conclusion can be drawn from the preceding story of the two British-built Estonian submarines.

46 About the Memorandum by Funk see Memorandum by Woermann, July 11, 1940. NA II RG-242 T-120 R-375, 23026.
Concerning the Germans: As stated by the German naval authorities in their correspondence, the Estonian submarines in question were to be purchased for training U-boat crews. From the intensity with which the project was pursued by the highest authorities of Nazi Germany it can be concluded that the German interest in these British-built submarines was primarily motivated by the desire to discover the British advancements in submarine technology and construction methods. Training on submarines built in Great Britain would patently have given German seamen additional experience. Familiarity with the enemy’s ships would obviously have given them a certain advantage in the on-going naval warfare.

Concerning the Estonians: Under the conditions of the European foreign policy crisis, Estonia, hiding behind a rhetoric of neutrality, chose for itself in 1939 a foreign policy orientation that corresponded least to the national interests of its people. Fearing a loss of property, a contribution was made to the enemy of independent Baltic states, Hitler’s Germany, as the most decisive opposing force to Bolshevism. With the sale of the submarines, a faction of the Estonian government wanted to please Germany – it was believed that only it could exert its power and influence to save Estonia from total occupation and bolshevization. One may ask how, had the submarines indeed been sold, the government would have justified it to the people and the military? Fear of public opinion, the military and obviously also of the reaction of the Soviet Union and the occupation of the country by the Soviet Union were all among reasons why the sale of the submarines to Germany did not take place.

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VALIKU EES

Nurjunud allveelaevatehing

Magnus ILMJÄRV

Allveelaevad pidid koostöös Soome allveelaevade ja rannikupatareidega kaitsema Soome lahte ning sulgema Nõukogude laevastiku väljapääsu Läänemerele, kuni abi mingist sõbralikust riigist kohale jõuab. 1930. aastate teisel poolel nähti abistajariigina Saksamaad. Ekkki Eesti allveelaevadest on piisavalt kirjutatud, leidub nende ajaloos siiski episoood, mis väärib käsitlemist.


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50 Oberkommando der Kriegsmarine.
51 Oberkommando der Wehrmacht.
Selles korrati taas, et Hitleri nõusolek kahe Eesti allveelaeva ostmiseks on seotud sellega, et Eesti peaks ise Saksamaale pakkumise tegema ja müük peaks toimuma Nõukogude Liidu teadmisel.

16. juunil 1940 andis Nõukogu valitsus Eestile ultimaatumi, millele järgnes maa okupeerimine päev hiljem. See kõik tõi olulise pöörde laevade ostmise kavatsuse. Edasised sündmused Baltikumis näitasid sakslastele ilmselt tehingu lootusetust. 5. juulil tõdeti OKM-i Allveelaevade Grupile, mereväeatašeele ja OKW välisosakonnale saadetud kirjas, et Hitler oli seadnud peamiseks tingimuseks Eesti valitsuse poolse initsiatiivi, kuid et seoses uue poliitilise olukorra anavajaduse seda Eestilt oodata.
