

This Memorandum is the fourteenth issued since the first number in December 1938 and has been numbered accordingly. Will readers please note that the December 1939 Issue was No. 12 and that there is no Memorandum No. 13.

In December, 1938, the first Memorandum was issued from this office. It was subscribed for by a small group of persons each of whom occupied a position of responsibility in one sphere or another. This is the fourteenth issue, and it has been subscribed for by 11,000 people and institutions in all parts of the English-speaking world, including some of the highest military commanders at home and overseas, State Departments in the Dominions and in the United States, Staff Colleges, civilian officials, Embassies, Legations, and several thousand members of the responsible public. Within a year an experiment has become an institution. Since last month the circulation has again increased by well over a thousand and continues to rise daily.

We are much obliged to those whose renewals fell due in November and December, a very high percentage of whom completed and returned their forms most promptly. Each month those whose renewals are due will receive a notice, and we shall be grateful if they can be returned as quickly as possible.

We should like to point out that nine of these Memoranda were issued before the war broke out. It is only since the declaration that we have for the most part been obliged to deal with war-time information. These monthly statements are, however, intended as a general review of the foreign situation. They did not come into being on the outbreak of war, nor are they solely confined to information about hostilities. As they existed before September 3rd, so they will continue after the cessation of hostilities.

Last month we referred to a book about to be published, based upon the information contained in these Memoranda. It is not quite ready yet, and a further announcement will be made in due course.

A publication has recently appeared entitled "The British Case," with a preface by Lord Halifax. We strongly advise our readers to make a point of procuring a copy. It is worth reading. It can be obtained from Eyre and Spottiswoode, 6 Great New Street, E.C.4, price 9d.

The next issue will contain a special review of the situation in the Balkans. This will be especially important, since public attention will no doubt be very much directed towards the affairs of south-eastern Europe during 1940.

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THE NORTHERN CRISIS

Since our last issue we have received much fresh intelligence and very important developments have taken place, the most notable being the outbreak of war between Russia and Finland—an event which cannot be disassociated from the world crisis, for it is essentially part of it. This whole business of pressure on Northern Europe was arranged between Moscow and Berlin months ago and is part of a general plan which, if it works out, will eventually involve a large part of Europe and Asia.

The Russo-German plan for Northern Europe is to cut off Scandinavia and the Baltic from intercourse with the Western Powers and to direct the flow of trade into Central Europe. The resources involved are very great indeed. Finland, Sweden, Norway and Denmark are rich in timber, agricultural products, iron and steel. The iron deposits of Sweden are among the richest in the world and in quality unsurpassed. In Finland British interests have just spent about 25,000,000 dollars upon developing the Petsamo Nickel Mines, which would have been in full production within eighteen months.

Northern Europe is therefore a very rich prize indeed, and if it should fall into enemy hands the gravity of the situation which would then arise can scarcely be over-emphasised. At present Britain imports a great deal of food from Scandinavia, which is also one of our most important export markets. Moreover, its strategical importance is very great. A glance at the map illustrates this most clearly. Scandinavia in enemy hands would provide submarine and aircraft bases menacing both to the North Sea and to the Atlantic.

The reaction to Russia's acts of aggression has been strong throughout Scandinavia, especially in Sweden, where public opinion is whole-heartedly in favour of intervention on behalf of Finland. Very well-informed quarters, however, have reason to believe that if the Swedish Government declares war upon the Soviet, Germany will strike at Denmark and Southern Sweden, in full-blooded alliance with the Soviet.

This is one of the reasons why the Swedish Government is pursuing a policy of extreme caution: Denmark is not strong enough to resist invasion, while Sweden caught between the fires would find herself in an exceedingly grave situation unless the Allies were able to come forward with full support without delay. Norway would inevitably bow to *force majeure*.

Influential French opinion, taking all this into account, feels very strongly on the whole question. The French mind works more logically than ours. Having made strenuous efforts to come to terms with the Soviet and finding it impossible, the French settled down to review the situation and rightly came to the conclusion that not only was the collusion between Moscow and Berlin very great, but that Germany was the dominant partner in the business. With devastating logic they have reasoned it out that the northern theatre of war is in reality one of Germany's vulnerable flanks, and that, having regard to the stalemate which exists in Western Europe, the military opportunities which support of Finland offer should not be ignored. There are no doubt some differences of opinion in France on this subject, but we are referring to that held by the influential and powerful quarters which support Monsieur Daladier and upon whose good will the strength of his Government largely depends. They represent, of course, some of the best elements in French public life. We have received an important letter on this subject from one who not only has access to some of the finest sources of information in Europe, but who exercises a considerable influence over French public opinion and is a staunch supporter of the war effort and of M. Daladier's Administration. It is written in the following terms:

“ . . . We are in danger of losing an opportunity for making this war take a decisive turn very different from that desired by Herr Hitler. This opportunity was to break off diplomatic relations with Russia and to give effective help to Finland. From the moral point of view, if we do not adopt this attitude the true meaning of the war will lose its sense. Why should we treat aggression against Finland differently from aggression against Poland? From the practical point of view such a gesture would bring the following advantage to our two countries. Internally it would have the effect of stimulating any part of the population which may be finding this war boring; externally it would have the effect of stimulating neutrals, like the Scandinavian countries, which feel themselves menaced by the Russo-German bloc, and those like Italy and Spain who are fundamentally anti-Bolshevik.

“ If we do nothing we shall be playing Hitler's game, the object of which is evidently to leave us to stew in our own juice at the other end of Europe—the victims of Communist

propaganda directed towards undermining our internal situation, while he and Stalin partition part of the world between them. . . .”

We must re-emphasise the fact that our correspondent, though not a politician, is one of the most important figures in French life. Those in France who advocate collaboration with Italy and Spain are powerful and are led by M. Laval. Marshal Petain is also a strong influence in this direction. M. Daladier has become steadily more dependent upon Right Wing support since the outbreak of war, a factor not always taken into account. He cannot, therefore, ignore the desires of his principal supporters, especially over such important matters. There are, of course, those in France who take a different view, but their influence is diminishing.

Critical observers in Europe bring forward two objections to the view expressed by our correspondent. First, there are the reservations of Turkey, and secondly there is the fear of Russia taking revenge for Allied interference in the North by starting trouble in Asia. The first question is, of course, a very serious one. Turkey's attitude has been made very clear, namely, that she refuses to become involved in hostilities with Russia unless, of course, she is directly attacked. This policy may become modified in due course—though at present it holds firm.

So far as Russia's interference in Asia is concerned, the objection should carry less weight. If the Soviet intends to interfere in Persia, Afghanistan and India, she is going to do so whatever we say, and one would have thought that her intervention would have been far less effective if she were engaged in a really serious struggle in northern Europe than if her hands were to become free in that area.

It will be noted that our French correspondent especially refers to the question of breaking off diplomatic relations with the Soviet, as well as giving effective aid to Finland. The case for this is very strong. The Communist Party in France is largely financed through the Russian Embassy; it is regrettable that Soviet Ambassadors in foreign countries are more closely associated with internal politics than they ought to be. This is certainly true of the Russian Envoy in Paris, who is playing an important part in trying to undermine French morale, and encourage the Communist Party. He is altogether an exceedingly dangerous channel of communication between certain elements in France and his own country, which is in close alliance with Germany. It is only with the greatest reluctance that we publish such a statement about the head of a diplomatic mission, but as it has already been said in *Le Temps*, we see no reason why it should not appear here.

RUSSO-GERMAN COLLUSION

If we ignore information which shows that Russia and Germany are working in partnership, we shall of course disregard the most important intelligence available about world affairs and the whole march of events will prove quite unintelligible. There is abundance of evidence. The close co-ordination of the Russian and German press, the collusion between the Gestapo and the O.G.P.U. in certain foreign countries, *e.g.*, in the U.S.A., the coming and going of missions between Moscow and Berlin, the activities of the Communist Party in France and the arrival of German technicians in Russia. That technicians *have* arrived is not a matter of speculation, for we have direct evidence from one who has seen and talked to some of them very recently.

Some of our reports are very strongly worded. The following extract from a confidential summary which has reached us is impressive :

“ It is also wrong to suppose that there is no unity of purpose between Stalin and Hitler. They are united in a common aim—the destruction of the British Empire—and until this object is attained there is no likelihood of their quarrelling. . . . A common hatred of the British Empire forms strong bonds between Nazis and Communists, and it is futile to hope that any diplomatic or other peaceful effort to cause dissension between them would ever succeed. It is absolutely useless to pretend that the Soviet Government will preserve strict neutrality in the present conflict; the fact is, they are virtually at war with Great Britain and France. Although the Soviets are not yet engaged in actual military operations against them, their hostility towards the Allies cannot be doubted. . . . The Soviets are conducting war against the democracies after their own peculiar methods; by clandestine intrigue and by lying propaganda they strive to corrupt public opinion, to sow dissension, to confuse the issue, to incite the masses against the authorities, to undermine the morale of the nation. Their numerous agents are conducting in this and in many other countries a campaign of defeatist propaganda. . . . The Communists

have always maintained that disruption in the rear should precede a military offensive at the front, and they are now putting their theory into practice. . . . The Soviets are also waging war on the Allies in another way, namely, by helping the Germans to defeat the blockade. . . ."

The report goes on to urge in the strongest terms that we should face the facts.

This is no isolated example of the sort of thing reaching us, if it was we might pause a long time before publishing it, but it is only confirmation of intelligence from very many different quarters.

Germany's underhand propaganda campaign throughout Europe, suggesting that if the Western Powers would make peace with her she might abandon her common front with Russia and become a bastion against Bolshevism, is not genuine. It has three purposes; first, to undermine Allied morale, secondly to curry favour with Italians and Spaniards, and thirdly to increase Germany's bargaining power with Russia. Our reports do show, however, that this propaganda has an effect in countries which fear the Russian form of Communism more than anything else. The slightest suggestion that the Allies are not really interested in the prevention of Russian aggression is harmful and dangerous, and might prove disastrous.

Germany's strategy in the West has always been subordinated to her plans for eastern Europe. Her decision to remain on the defensive in the Siegfried positions was reached long before war broke out. If we misinterpret Germany's passive Western policy we may fall into a serious error of judgment respecting the enemy's grand strategy. Let it be stated once more, in the clearest terms, that the Nazi leaders never intended a Western offensive this autumn. We reported this far in advance of events. Indeed, this information was in our possession all the summer. The troop movements behind the Siegfried positions were made in order to produce uncertainty and to test our reactions. Any misjudgment on this point may cost us dear.

These "reconnaissance concentrations" and European scares are part of German tactics. They are arranged with the object of discovering military and political reactions. In the case of the alarm of November 11th over Holland, there can be no doubt that this was deliberately started by Germany in order to test the military policy of France, Great Britain and Belgium. There was no question of a real offensive, but the trick half worked and we may say that the German High Command derived a great deal of extremely important military information as a result. They did not, however, find out what they most wanted to know, namely, what the dispositions of the British air force would be in the case of such an invasion, nor did they discover anything about our air tactics or strategy. Our authorities were most astute and fortunately did not fall into what was a deliberate trap. We have reason to believe that the Germans were highly disappointed.

It is true that the German Army Command has concentrated a great deal of attention upon the problem of breaking through modern emplacements, and recent Reichswehr training has been based upon the tactics necessary for such an achievement. A section of the Maginot Line was reconstructed for experimental purposes from a study of the Czech defences, parts of which were built on the French model. The reconstructed section was bombarded with all types of shell and attacked most realistically in manoeuvres. Moreover, Germany has also concentrated upon the production of artillery specially suited to positional warfare, and has been experimenting with a number of particularly powerful explosives. Our informants do not think that the "secret weapon" referred to by Hitler was the magnetic mine, but that it is something to do with a new explosive for use against fortified positions. All this, however, does not necessarily mean that the Germans ever intend a full-blooded western offensive; it might equally well apply to defensive preparations against a possible Allied attack on the Siegfried positions.

The German plan, as we have already seen, is to strike at limited objectives behind a strategical screen consisting of certain neutral countries, the German air force and the Siegfried positions. Similarly, Russia's policy is also to strike at limited objectives, using the state of war between Germany and the Allies, and Turkey's reservations, as a safeguard against Franco-British intervention in northern Europe and elsewhere. This plan of alternating aggression and the playing off of different factors one against the other is (the enemy hopes) to be followed, until such time as they feel inclined to take the gloves off and challenge Great Britain and France more directly.

THE ALLIES' POLICY

Our grand strategy in face of this situation is quite clear and straightforward. It is to maintain command of the seas, to gain complete supremacy in the air, to immobilise the greater part of the German land forces in the West, and to build up a strategic reserve in the Near East to be used in the defence of our vital interests. Behind these forces we have to create a general reserve, which can be switched to any theatre of war where the enemy presents a vulnerable flank which can obviously be penetrated at reasonable cost and with good effect.

Our command of the seas makes it possible to cut off the enemy from three continents—America, Africa and Australia. Both Russia and Germany have natural access to both Europe and Asia. It also allows us to move men and material freely, to feed the inhabitants of these islands and to maintain our trade.

Despite the ferocity of Germany's warfare at sea, her submarine menace, indiscriminate mine-laying and the machine-gunning of fishermen from the air, the Allies have maintained their mastery, and by a display of audacity and gallantry have already succeeded in making naval history. We must not forget, however, that the enemy is hard at work building a new submarine fleet, while Russia also has a sizeable one.

In the air we have already attained superiority in the quality of our men and machines. We are on the way to complete superiority in numbers. Our productive capacity is steadily increasing, our reserve of pilots is growing and our overseas resources have been much extended.

Signor Mussolini has been especially impressed by the growth of the British Air Force and its quality. The new Italian Air Chief, unlike his predecessor, has advised him that the quality of British aircraft is far superior to Germany's. There can be no doubt that this advice has been very carefully noted. Italy, however, is not the only country to be impressed in this respect.

Our economic strategy must be based on the conception that we command the seas and possess adequate transport, inexhaustible raw materials and adequate man-power. There is, therefore, no reason why we should not successfully defend the civilised world for an unlimited period of time, so long as our morale permits it. Our resources are only limited by our supply of man-power, our natural wealth and our means of transport from one part of the Empire to the other—and by nothing else. Any other limitation is an arbitrary one.

Fundamentally, the Allies' policy is sound, and provided the equipment and expansion of our fighting forces make steady progress and the economic life of the Empire and her Allies is well ordered, we can afford to await the best moment for striking; but when it comes we must seize it. When one of the enemy's flanks becomes vulnerable we must not let the chance of attacking it slip by. We must, of course, do nothing reckless in the West. It would be playing the enemy's game to expend our energy in some fruitless efforts in the highly fortified zones where for the present no decision can be reached.

The conclusions to be drawn from our reports are that the enemy has screened his position rather successfully, and may manoeuvre within the closed sphere so created for some time. Many people will wonder, therefore, what the Allies will do if no effective action is possible in the north to produce a considerable and exhausting Russo-German counter-effort. Observers are asking what our policy should be if a northern diversion proves impossible, and Germany sticks to a passive policy in the West and in partnership with or as master of Russia she works within half Europe and part of Asia. In such a case the principles upon which our present strategy is based should stand. In practice much will depend upon the attitude of Italy and Turkey. If under provocation the latter country comes over to the Allies unconditionally, then if Germany or Russia strike in the Balkans the Allies might find it possible to act very swiftly. Italy, on the other hand, has it in her power to alter the whole situation in the West. So long as she is neutral it is difficult to see how stalemate in the West can be broken, but if she became a belligerent on either side the situation would completely alter. German expansion in South-Eastern Europe would also raise grave issues for the Italians. If, however, they continue neutral and Turkey insists upon her friendship with Russia, the struggle will be prolonged and the decision taken further to the east than many people imagine. It is clear, therefore, that almost everything depends upon the maintenance of morale, for except in Northern Europe there is no opportunity for action and there may be none for some time. Nothing is harder than to endure long inaction under a great mental and physical

strain. The British, however, can endure almost any amount of suffering and hardship if they believe in a cause and have confidence in their leaders; but they *must* know what is happening and why. The instinct of leadership is present in so many Britishers that they cannot give blind support to anyone. Moreover, the desire for freedom becomes greater under war conditions which make men more jealous for its preservation and conscious of its priceless worth. If, then, the nation's temper is to remain even and its pulse steady, the nature of this struggle must be more clearly presented and our strategy more fully explained. If, when the facts are given, they seem to make good sense and events bear out the judgment of those responsible for policy, there are no lengths to which this nation will not go in order to master its task and achieve its objective.

The public, the most part of which is intelligent and anxious to give of its best, is capable of assimilating facts, facing problems, undergoing hardships, and winning through the worst difficulties. There is one thing, however, which it cannot stand, and that is being patronised. It must be in the confidence of the Government. It cannot abide being left in the dark without adequate information. Destroy these characteristics and the strength of the nation will be lost.

John Buchan, in his charming book "The King's Grace," reminds us of the profound truth that King George V was a great leader because he had a rare capacity for bringing out the best in his subjects, especially in those who served him in high places. This is the only leadership which succeeds in Britain, and it is the greatest. It will be one of the conditions of success in the titanic struggle which is slowly unfolding itself and into a new phase of which we passed on September 3rd.

The truth is that we are face to face with evil forces which are bending all their considerable energies and exercising all their wits in order to destroy that which is best in our highest conception of life and its meaning. Such a struggle cannot be abandoned, even if we wished it so, nor indeed can it easily be resolved.

History seems to teach that sometimes a man or a family is evidently destined to perform one single task in preparation for which there seem to be almost endless, even meaningless, years of vicissitude and trial which must be faithfully endured until the appointed time if the task is to be accomplished. The clearest minds see in this present strife the consummation of a great conflict which has been raging for countless centuries. It is a struggle between evil and chivalry. The course of the struggle can be traced through history in the deeds of men and nations. Almost it would seem as if certain peoples, driven by some terrible force to which they had given hostages, had been preparing themselves to become the supreme instruments of that evil, while other nations, as if following a fiery cross at times bright and clear and at others dim and almost lost to sight, had been preparing for a last crusade.

If indeed the conflict is of such a nature, and few doubt it, it may yet be that we shall be stripped of our confidence in political theories and much of our hope in material forces and because of this, after passing through a cleansing, we shall fulfil our appointed task, for which all that has gone before, the best and the finest deeds in our history like the hardest and the most difficult, has been a preparation.

RUSSIA

Some months ago we published some figures about the Russian army. At that time, however, the circulation of the Memorandum was not so great and a large proportion of our readers have not had the benefit of them. We propose in this issue to re-publish some of them, together with others which have not yet appeared.

The Soviet army in peace time consists of 130 divisions, or 1,300,000 men. Seventy-seven per cent are regulars and twenty-three per cent territorials. The total effective reserve of trained men is probably 6,000,000 and it is upon this figure that it would be wisest to base our calculations. Theoretically, Russia can mobilise 11,000,000 to 12,000,000 men, but a very large number of these are not anything like trained for military service.

The number of conscripts in each class is 1,200,000 men, but of that total at least 300,000 must be deducted as exempt from military service. Of the remaining 900,000 a little over half are taken into the regular army and the rest absorbed in the territorial force, where the training is poor.

Of the 130 divisions there are 100 of infantry and 30 of cavalry. Besides these, however, there are five mechanised corps, each consisting of two tank brigades and one motorised infantry brigade. We have not counted the special frontier guards and police detachments