

# MEMORANDUM OF INFORMATION

24

ON

## FOREIGN AFFAIRS AND THE WORLD CRISIS

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### NOTE

Owing to the continued and large demand for the July issue, which gave an account of the French collapse, we have arranged for a third edition to be printed, which is now available. Those of our readers who have not yet seen this number can now obtain a copy upon application, price \$1.00 (post free).

Our circulation in Canada and the United States has been steadily increasing, particularly of late. We are anxious to build it up further, and shall be grateful if any of our readers with friends in Canada and the United States would care to put us in touch with them. Not only do a growing number of people evidently find the Memorandum useful, but it is a valuable, if small, export, providing dollars which we need. As the American edition is printed in Canada, the gain is obviously net.

Many people in Canada and the United States are glad to have a monthly review of the situation, which is notably outspoken, and sets out both the good and the bad facts. Judging from the letters we receive, this is the best possible way of presenting the British case. If, then, any of our readers at home can put us in touch with friends in America, it will be helpful.

We regret the delay in mailing the November number of the Memorandum. It is due to circumstances beyond our control with which we are sure our subscribers are familiar, such as the difficulty of relying upon sea-borne and air mail. Every effort will be made to maintain our service as regularly as possible.

KENNETH DE COURCY.

*Editor.*

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## A CRISIS

This issue will appear at a critical moment in the history of the British Empire. It is being written during days when events of supreme importance are unfolding themselves. Many of them may have matured before it reaches our readers. Others, which now seem imminent, may well be checked and countered, and therefore never fully come to light, and the rest may still be for the future. Whether when the Memorandum reaches its public it will be an historic chronicle or for the most part a forecast, we cannot tell. Perhaps the contemporary historian, standing back from the scenes of action and viewing things at least in some perspective, is in the best position to hazard a forecast about the future, but no one, not even the shrewdest, can foretell in precise detail what it may hold, and what exact chances of success or failure attend the plans of statesmen. The study of "the casual and the causal in history" is fascinating in the extreme, and no one who has indulged in a little of it, forgets those strange tricks which the fates sometimes play with the most carefully laid plans.

The present situation will be quite beyond anyone's understanding unless they know that the guiding principle of Herr Hitler's present policy is to bring about a general settlement before Christmas, even though this involves the sacrifice of a possible full-blooded victory. For many reasons he believes that the cessation of hostilities now would be more advantageous to him than a continuance of the conflict. He is shrewd enough to realise that nothing is certain in war, that the finest calculations can prove utterly false, and the best laid plans go hopelessly astray. High gambler though the German dictator is, reckless though his career has been, he is nevertheless an adroit politician with highly developed intuitive powers.

Very capable observers believe that a majority of Germans over the age of thirty are already strongly in favour of peace, a sentiment shared by a number of Herr Hitler's own advisers, the most notable of whom are to be found in Field-Marshal Goering's entourage. The Armies of Occupation are beginning to enjoy life, in some cases, too much so for the sake of good military discipline. They want to profit from their successes rather than to plunge into new adventures. Reports tell that during recent weeks, now dragging into months, the German officers and men in France have been enjoying the wines of the country a little too much.

There are ample eye-witness reports of the devastation caused in Germany by the Royal Air Force. This is not propaganda, for we have seen private reports through neutrals which no one ever expected would be used for public consumption, which prove beyond all doubt that our air offensive has been very effective. Although it has not yet created any major political problem, a long continuance of these attacks might one day unleash forces which not even Herr Himmler could control. Hitler well knows that no one can foretell what the effect of prolonged Air War on the densely populated areas of Western Europe may be. Most potent of all the factors influencing German policy is the discovery that the British Isles are no last outpost of Europe but the New World's first line of defence.

Hitler seems to be quite conscious that Germany's present strong position is largely due to the fact that she is working in close collaboration with four other Powers. Without these friends and partners she would be in a very weak position indeed. He knows, moreover, that their community of interest with the Reich is not limitless. Apart from their common desire to work with Germany for the achievement of a very distinct and limited war aim, the four Powers are not amongst themselves particularly great friends. It taxes all Herr von Ribbentrop's skill to make effective use of this concert of Nations. We should be the last to under-rate the length to which agreement between the revisionist Powers has gone, and the community of interest which no doubt exists. On the other hand, the prolongation of the war may raise issues far beyond the point at which accord has been established, and we have reason to believe that neither Germany nor her partners are anxious for any reckless tests of friendship. They are all anxious for the "new order" to be established so long as they occupy an important place in it. Japan is prepared to work with anyone who will help her quickly to achieve her immediate objectives and gain recognition for her domination of certain areas in Eastern Asia. Russia is only too happy to work with Germany just now, if that policy helps to keep the wolf from the door, and at the same time brings in a few handsome profits. Italy regards her partnership with Germany as essential if she is to bring about those changes in the Mediterranean which have long been her cherished ambition. Some of the Spanish leaders, undoubtedly fascinated by the spectacular changes of recent times, and convinced by German propagandists that Britain has always secretly opposed Franco, and still resents his victory, are reluctantly drawn towards the Axis. Moreover, there are Spaniards who harbour expansionist ambitions.

Beyond this there is something deeper—but this takes us into affairs which we have often discussed in previous memoranda. There is a strange, almost mystic affinity of spirit between the revolutionaries, although not between all of them. It is difficult to know how profound that influence may be upon practical politics just now. It is growing, but not enough people in the several countries concerned are yet affected by it to make it an absolute and decisive factor. Old-fashioned politicians still play a big enough part to make at least three of the revisionist Powers

"The casual and the causal in history."

Hitler's immediate objective.

Opinion in Germany and amongst enemy troops.

Raid damage in Germany.

Limited community of interest between Germany and her Allies.

The mystic union of Revolutionaries not yet the sole influence.

that the last thing his master wanted, and even what he dreaded, was the complete defeat of Britain. That sentiment persists in Italian circles, as well as elsewhere.

Many moderate Germans, as well as Spaniards and Italians, are afraid of other consequences which would certainly attend a British defeat. No one could measure the dangerous repercussions which might follow a sudden collapse of Britain's administration in India and Africa. There is no country in the world which could repair or replace it even in a score of years of intensive effort. Long before then chaos would reign. Such a prospect is alarming indeed, even to some of the most reckless Europeans. We in Britain do not for a single moment believe that that danger exists, because we are quite confident we shall not be defeated, can be amused by all this. Somewhat naturally, however, Germany and her partners take the possibility of our defeat into account, and we may safely assume and record the fact that this point has an important place in Europe's calculations.

Fear of British defeat.

Our view is then, and almost every scrap of intelligence supports it, that Herr Hitler, for these and many reasons, is working hard for an early conference, and that he has been doing so for some time past—a conference, of course, which would fully recognise the hegemony of the five Powers concerned in certain specific spheres. That the German leader may already harbour thoughts of another war beyond this one, using the assets he has gained, may well be true—but that is quite another story. As we shall presently see Herr Hitler has very cleverly co-ordinated his military and diplomatic moves with this chief purpose, namely, an early settlement in the forefront of his mind.

Hitler's objective.

We may say that, broadly speaking, during the last three months he has been trying to create the preliminary conditions of military checkmate on the one hand, and room for diplomatic manoeuvre on the other. By means of a series of preparatory approaches to the Allies through neutral intermediaries, several of which took place following the French defection, he has been able to gauge the magnitude of his task and lay his plans accordingly. He discovered, and certainly recognised, Britain's absolute and inflexible determination to continue the struggle until a complete military victory is achieved. It is extremely doubtful whether he has had any illusions on that point during recent months. His object has been to bring about Britain's complete diplomatic encirclement at precisely the same moment as he demonstrates his plans for military checkmate. It is probably true to say that no more ambitious scheme has ever been attempted, either in the diplomatic or military sphere.

The plan.

The last weeks have witnessed the actual unfolding of his scheme. There have been many diplomatic meetings and military moves. First, there was the prolonged visit of Senor Suner to Rome and Berlin, then the German and Italian Foreign Ministers exchanged visits, and to round off that phase, the Triple Alliance was signed and the Brenner Meeting took place. But even bigger things were brewing. Roumania was to be occupied, thus making clearer Axis policy in the Balkans, and the true nature of Russia's understanding with Germany. The military significance of this first Balkan move was clear enough, and distinctly prepared the way for the invasion of Greece.

The first moves.

It was with Hitler's journey westwards that the biggest and most dramatic events were to begin. His talk with Laval was of first importance, and it is surprising that so many commentators failed at the time to grasp that it heralded events much more far-reaching than the mere settlement of Franco-German relations. It was to be followed by a meeting of the German and Spanish dictators, a conference between Hitler and Marshal Petain, and then the Florence Meeting—from which point events moved swiftly along the course with which we are so familiar.

The meeting with Petain.

Perhaps the most significant date was October 24th, when Herr Hitler and Marshal Petain met. It marked a moment at which the German plans reached an advanced stage of maturity. Everything was ready for the curtain to go up upon one of the most dramatic scenes in history. Nothing could be more foolish than lightly to dismiss all these comings and goings, and the events which are following them, as a second-rate play-acting performance. The issues are too serious, the forces at work too great for us to regard them in anything but the gravest light. We are witnessing an intense drama and no light political comedy. We are watching it, however, from good seats, as powerful spectators, commanding an authority of impressive dimensions.

An historic drama.

The great question which observers asked themselves when Europe first collapsed, was how Herr Hitler would deal with the conquered countries, especially France. We all knew what he would do with the Continent if the rest of the world collapsed, too. The great question was how would he handle the situation if the French defection was followed by a prolonged struggle. Would he make Napoleon's fatal mistake, and treat France, as the French Emperor dealt with Austria, against all the advice of Talleyrand?, or, profiting from history, would he offer the French a magnanimous peace, and then, with their help, present the settlement of Europe as a *fait accompli*, turning to the New World with a peace offer backed by the remaining neutrals, and strengthened by a demonstrated ability to achieve further military successes in the case of hostilities continuing?

A lesson from history.

Until the disastrous Dakar episode the Germans showed no signs of learning that...