

ENCLOSURE.

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POSSIBLE GERMAN ACTION IN 1940.

In the Chiefs of Staff's commentary (Paper No. C.O.S. (40)245) on the Allied Military Committee's Appreciation of Possible German Action in the Spring of 1940, there is no reference to the possibility that Germany may continue her waiting policy, which was discussed at some length in the Appreciation and formed one of the three main alternatives set out in the conclusions.

2. The Chiefs of Staff state that "a general conclusion to be drawn from the Allied Military Committee's examination is that there is no new nor unexpected feature in possible German intentions". They also state that "on the contrary, the appreciation is reassuring in that it confirms the fact that our plans have been based upon sound principles".

3. It seems to us that a continuation of the waiting policy by Germany would in fact be an unexpected feature, in the light of former British appreciations, which have dealt with nearly all likely contingencies except this one. Furthermore, our plans appear to have been based on the expectation that Germany would certainly take the offensive somewhere.

4. The greater part of our regular Army is being accumulated in France, awaiting an attack on the Western Front. The greater part of our Air Force and air defences are deployed for the defence of Great Britain against a total air war. Most of the material resources which can be spared from our own needs are being used to strengthen Turkey against an attack through the Balkans. And there seems to be a very general impression that "time is on our side".

5. If, as seems likely, certain contemplated offensive operations on our own side do not now materialise, the field for the strategical offensive on the part of the Allies may well be closed for the present year, and our efforts will be confined, for the time being, to building up our own resources and to holding the ring at sea. Should Germany too refrain from any large-scale and sustained offensive action during 1940, then the war is likely to resolve for a time at any rate into a contest of economic pressure and endurance.

6. This is, in fact, the present situation, and it may continue. There are two main aspects to this contest: firstly, the economic and financial side; and secondly, the military side.

7. As we found in our appreciation, it is difficult and even dangerous to draw very far-reaching conclusions from economic figures. What Germany might expend if she were engaged in major operations is no guide at all to her actual expenditure in the present condition of

suspended warfare on land and in the air. The prime fact is that at present the Allies are being forced to expend immeasurably more on defensive measures than is Germany, since Germany's position on interior lines, and her numerical superiority on land and in the air, imposes on the Allies a wide dispersion of force and effort in securing their interests in a number of different theatres. This is not a hypothetical situation; it is the present situation, and there is absolutely no sign at the moment that it will change.

8. In this connection, we would draw particular attention to the conclusion arrived at in the memorandum by the Minister of Economic Warfare in Paper No. W.P.(G) (40) 72, that time is not necessarily on the side of the Allies, unless certain measures can be taken at an early date.

9. On the military side, Germany's waiting policy is accompanied by a war of attrition against British seaborne trade. Air attacks on shipping are already serious, and are almost certain to be continued and probably intensified even though Germany may not throw any large proportion of her air forces into this form of attack. Yet the old bogey of a total air war against the United Kingdom seems still to limit the degree of air protection which can be given to shipping. Total air war may well come in the future; but attacks on shipping are happening now and are an immediate and existing danger. These attacks are being carried out at a minimum cost to Germany, whereas the expenditure to counter them on our part is on a scale which must prove a heavy drain on our resources.

10. There are also psychological factors to be taken into account, and these are likely to assume a special importance in the absence of spectacular military developments. The reverse which the Allies have suffered over Finland has shaken public confidence at home, and is likely to have grave reactions abroad. Re-doubled efforts will be necessary on the part of the Allies in the field of propaganda.

11. It may be that the full implications of a continuation of a waiting policy by Germany have already been examined, and that we are justified in feeling that time is on our side and that such a policy would be to our advantage however long it was maintained. If this is the case, then there is no more to be said. But we must at least assume that Germany on her side has also appreciated the effects of a waiting policy, and that if she continues this policy she for her part must feel that time is on her side rather than on the side of the Allies. One of the main points which was brought out in the Allied Military Committee appreciation was that Germany may quite well continue to do what she is doing now, and little more. Nothing has happened since January to change this view; and the object of these notes is to submit the urgent need for a full appreciation of the present situation, assuming that it does not change materially in the military sphere.

12. Appreciations have already been drawn up on the basis of possible future action by the Allies or Germany in such theatres as the Western Front, Scandinavia or the Balkans; but these are all hypothetical situations which may or may not arise. The only fixed point from which to appreciate at the moment is the actual existing situation as it is to-day. Are we sure that a continuation of the present situation would be to our advantage? If so, will it be decisive, and in what period of time? If not, what can be done about it? Are we, in fact, overtaking or likely to overtake Germany in material resources? If so, when shall we be strong enough to risk an offensive? In what theatre do we envisage taking the offensive, if the enemy makes no large scale move? In the air? On the Western Front? In the Balkans? Will our own financial resources stand the strain longer than Germany's at the present rate of expenditure on both sides? If not, to what extent can we count on America for help? To what extent can we afford increased losses of merchant tonnage as a result of intensified air attacks on shipping? What will be the effect on public morale on each side if Germany continues her waiting policy for another year?

13. These are only some of the questions that arise in considering the effects of a continuation of the waiting policy by Germany. It is not suggested that the answers to these questions would be unfavourable to the Allies. But it is possible that a full examination of these and other points might reveal that time is not necessarily so actively on our side as it might seem, and that risks must be accepted in one theatre (for instance, in the air defence of Great Britain) where the threat is only potential, in order to meet immediate dangers in other theatres which have already materialised (for instance, air attacks on shipping). Again, it is conceivable that it might be to the advantage of the Allies to initiate active operations at the first opportunity in whatever theatre an opening could be found, simply to increase the strain on the enemy's resources, even though this theatre might not appear to be a decisive one from the purely military point of view. Alternatively, it might be clearly established that time is, in fact, with the Allies, in which case we could assume that a continuation of the waiting policy by Germany is unlikely.

(Signed) J. H. MARSHALL-CORNWALL.

W. S. CHALMERS.

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