affects the building up of reserves for an offensive. We are nearer our bases. Our limitation is the rate that men and material can reach Egypt from overseas. His limitation is the rate at which it can reach his troops when it arrives. This indicates the necessity of blocking Tobruk and Matruh and attacking his road and rail transport and his shipping.

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10. Political Factors.—Hardly enter into this appreciation, except inasmuch as pressure may be put on the Axis command to press on to Egypt before their army is ready or has sufficient margin of force. Our danger lies in a politically unstable Egypt in our rear. So far this danger has not developed.

11. The Russian Front.—The operations of Eighth Army are linked to the fate of Russia. Should the Axis penetrate the Caucasus, Eighth Army might be reduced to the lowest margin to provide reinforcements for the new front. Moreover a considerable Axis success in Russia would release air and land forces and equipment for the reinforcement of the Western Desert.

12. Maintenance.—The enemy is experiencing great difficulty in maintaining his present forces at El Alamein. This condition may improve gradually when more heavy transport vehicles come from Italy. It is not likely to improve so much that he can maintain an appreciably larger force than that envisaged in Appendix A*. Our maintenance presents no real difficulties, except that our stocks of 25-pounder shells are not inexhaustible, and we could certainly maintain forces of double the present size of Eighth Army in this area if they existed:

Courses open to ourselves and the enemy.

13. Ourselves.—A. To continue to attack the enemy in the hope that he will crack before his army is reinforced by fresh troops. The pros and cons of attacking are:—

In the northern and central sectors we have made two attempts to break the enemy's front without success. Failure has been due to lack of trained troops, rigidity of organisation and limited resources in armour and infantry and it seems that the enemy's positions are now too strongly held to be attacked with success with the resources available.

We have also attacked in the southern sector, but weakly and largely as a diversion. Our attack failed, but the enemy though strongly posted is not numerous here, and this front might go if suddenly attacked. If it did go, it offers access for our mobile troops to the enemy's flanks and rear.

The problems of attack on this front are, firstly, how to find the supporting fire without unduly weakening the northern and central sectors. Secondly, how to find the troops. The only formation which might be used is the weak N.Z. Division supported by its own artillery, the artillery of 7th Armoured Division and some of 5th Indian Division's artillery. This would have to be deployed in secret and developed as a complete surprise. Failure would probably make the N.Z. Division unfit for further operations for a considerable time. Having in mind the weakness in numbers and training

* Not reproduced.

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of this division the chances of success can only be rated as 60—40. Failure would seriously deplete our present resources. On the whole this attack hardly seems advisable at present.

B. To adopt the tactical defensive until we are strong enough to attack, which, unless the enemy's position deteriorates, will not be till mid-September at the earliest. The obvious objection is that we give the initiative to the enemy if he is able to use it. It is very doubtful if he will be able to take the initiative till late in August with any hope of success. In fact if he attacks before, provided we have a reserve in hand including up to 100 Grant tanks, we have a good chance of defeating him seriously in the area El Alamein-Ham-Moreover the critical period for the mam. preparation and manning of the Delta and Cairo defences is now over. There is little danger of the enemy getting any value out of by-passing the Eighth Army on its present ground. There may be a critical period late in August before the new divisions (two of armour, two of infantry) are ready, but this might be tided over by preparing their artillery battle groups in advance of the rest of the divisions and so reinforcing Eighth Army. (This project requires further examination.) This defensive could also be mitigated by enterprises against Siwa and the southern sector of his front and by seaborne attacks.

14. Courses open to the enemy.—The enemy must resume the offensive without delay, but he is unlikely to be able to do so before mid-August and even then no real margin of superiority except in A.F.Vs. is apparent. He will certainly try to attack before the end of August and as Eighth Army defences gain in strength and depth he will be more than ever tempted to avoid them and seek success in manœuvre. This may well land him into serious difficulties in the soft desert.

Alternatively, he may have to adopt the strategical defensive because our forces are too strong and too well placed for attack. If he does, he may either stand his ground or withdraw to an intermediate position covering Matruh, which will eventually be to our advantage for he will still be in striking distance when we are again fit to attack. If he goes back to the Egyptian frontier, it is questionable whether he should not be left undisturbed.

15. Course recommended.—Seeing that we are hardly fit at present to do any more attacks, our best course is the defensive combined with offensive gestures from time to time, including raiding. The cover plan should be such as would induce the enemy to strike prematurely, *i.e.*, mid-August, say, between 10th and 20th August. Meanwhile the Army front should be strengthened, and so held that at least one formation could come into reserve and train. At the same time the command of Eighth Army should be put on a permanent footing.

16. Plan recommended.

Intention.—Eighth Army will defeat any attempt of the enemy to pass through or round it.

17. Method.

 (a) Forward troops—
30 Corps: 1 South African Division, 9 Australian Division.